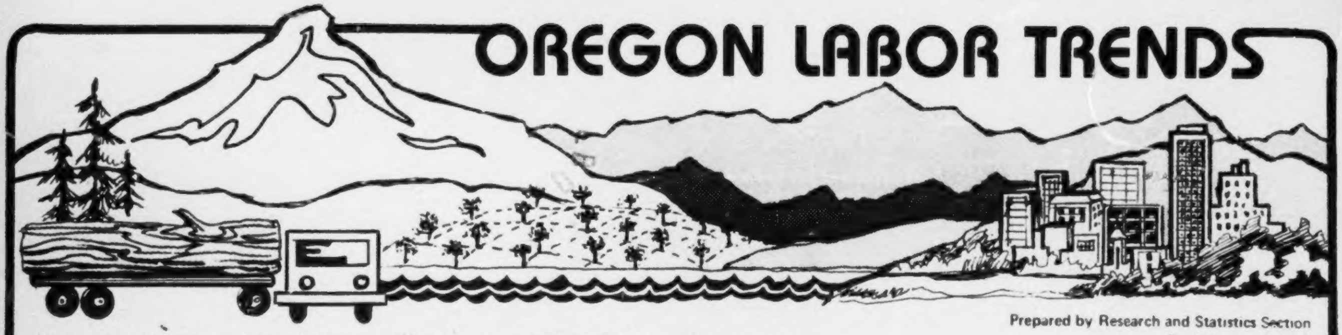


OREGON LABOR TRENDS

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
Prepared by Research and Statistics Section
October 1982

SEPTEMBER INDICATORS

UNEMPLOYMENT RATE

	S.A.	Raw
Oregon		
Sep. '82	11.2	10.0
Aug. '82	10.9	10.3
U.S.		
Sep. '82	10.1	9.7
Aug. '82	9.8	9.6

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1972=100
Sep. 1982:	123.8
Aug. 1982:	124.4
Sep. 1981:	130.9
Sep. 1980:	133.3
Sep. 1979:	137.6

DIFFUSION INDEX

Oregon	
Sep. 1982:	38.0
Aug. 1982:	35.8
July 1982:	37.0

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Aug. 1982:	38.0
July 1982:	37.6
Aug. 1981:	37.2

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Sep. 1982	288.2
Year Change	- 1.0%
U.S.	
Sep. 1982	293.3
Year Change	5.0%

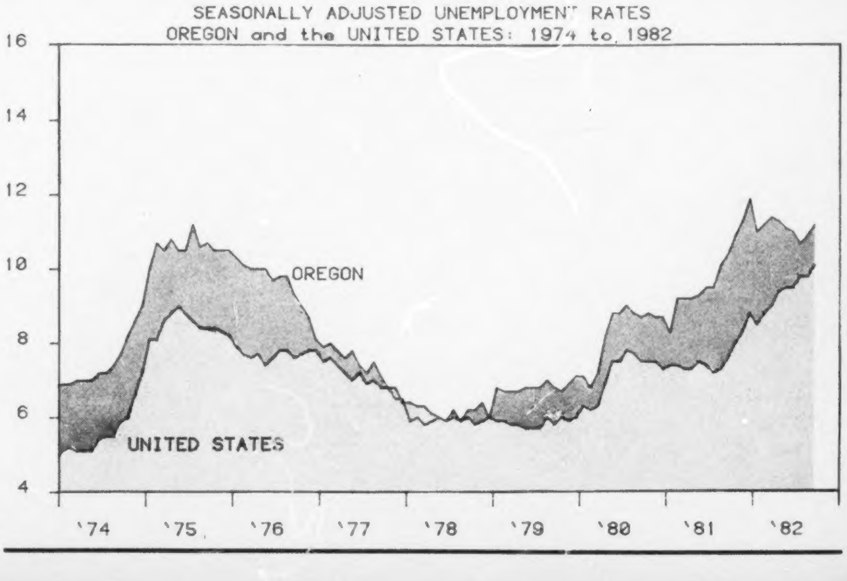
WHO'S ON FIRST?

The latest economic signs suggest that a national recovery has not begun. But it could begin in the next few months if interest rates continue to fall, or even just stabilize, and consumers start to spend more freely.

Most analysts believe that consumer spending, particularly on durable goods like automobiles, appliances, home furnishings, etc. must provide the stimulus to get the economy rolling again. Consumer spending accounts for roughly 2/3 of the nation's GNP and has an enormous impact. With U.S. factories operating at less than 70% capacity and much lower levels in some basic industries, it is simply not realistic to expect plant and equipment spending by businesses to lead the recovery, regardless of supply-side tax incentives. However these recent tax changes will make it easier for business to finance expansion when the time comes.

The financial condition of consumers, overall, has improved in the past year due to tax cuts, sharply reduced inflation, and an increase in personal savings. But while many people may have the capacity to increase spending, their confidence has been severely shaken by rising unemployment and business failures.

September's labor market report offered no consolation to cautious consumers. The U.S. Bureau of Labor Statistics reported that the nation's unemployment rate jumped from 9.8% in



SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON and the UNITED STATES: 1974 to 1982

August to 10.1% in September, the highest rate since 1940 when joblessness averaged 14.6% (monthly rates were not computed until 1943). The number of unemployed workers climbed by 455,000 to 11.3 million. Jobless rates for selected worker groups in September were also mostly higher, some to record levels, as shown below:

U.S. RATES OF UNEMPLOYMENT
September 1982

	Unemployment Rate Seasonally Adjusted	Change from August
All workers	10.1	+0.3
Adult men	9.6	+0.7
Adult women	8.3	+0.1
Whites	9.0*	+0.4
Blacks	20.2*	+1.4
Teenagers	23.7	-0.3
Black teenagers	48.5	-3.1
Full-time workers	10.1*	+0.5

* Denotes record high

Two other labor market indicators were equally grim. The number of "discouraged workers", those who have given up looking for work, jumped to a record 1.6 million. And the number of people working part-time because they could not find full-time jobs rose to a record 6.6 million from 5.6 million in August, a "gigantic rise" according to a BLS spokesman. Although it is true that unemployment is a "lagging" indicator since employers initially react to an increase in business by extending their existing employes' work hours, September's labor report was not likely to generate much confidence on the part of consumers or business managers. Furthermore the average workweek, which is a leading indicator, was unchanged for all nonfarm workers, and down 0.4 to 38.6 hours for manufacturing workers. This was consistent with the 0.6% drop in the nations' industrial output in September -- the 12th such drop in the last 14 months.

The average workweek is one of ten components that comprise the Commerce Departments' index of leading indicators. This composite index has risen in four of the last five months however, so still is a positive sign despite its 0.9% drop in August, the latest month available. Five of the 10 components declined including the average workweek, first time claims for unemployment insurance, factory orders for consumer goods, building permits, and crude material prices. Those components showing an increase in August were stock prices, plant and equipment orders, companies receiving slower deliveries from vendors, liquid assets, and the money supply.

One of the keys to the future course of the economy is lower interest rates. The dramatic decline in short term rates since July and recent slippage in long term rates, including mortgages, is a very positive sign. Although some of this downturn in rates simply reflects falling private credit demands due to the sluggish economy, a major reason is that the Federal Reserve appears to be relaxing its tight grip on the nation's money supply, at least temporarily. In addition the FED has been encouraging lower rates and faster growth of the money supply by dropping its discount rate several times since July. This is the interest rate which member banks pay when they borrow from the FED. The recent extraordinary rally in the stock market indicates that investors at least believe that the FED will continue to encourage lower interest rates in the months ahead rather than focus primarily on fighting inflation by keeping a tight lid on money supply growth.

If the Wall Street gurus are right and interest rates for most borrowers continue to fall well into 1983, a major barrier to economic recovery in Oregon will be removed. Due to the depth and nearly three year duration of this recession in Oregon, however, the road to recovery may take several years.

Homebuilding is expected to rebound slightly but to still fall short of normal. The 1.3 million housing units that the Western Wood Products Association hopes to be built in 1983 will be slightly better than the 1.1 million units projected for 1982 but far short of a more normal 1.75 million units.

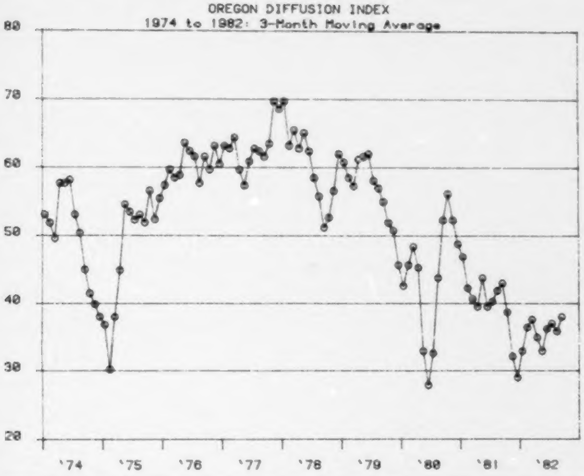
At present Oregon's economy is showing signs of further weakness. The state's raw unemployment rate dropped 0.3 points to 10.0% in September-the lowest level so far this year. After seasonal adjustment however, the rate increased by three tenths of a point to 11.2%, where it has hovered for most of this year. The following table shows the trend in both the raw and seasonally adjusted unemployment rates in Oregon during 1982:

	Unemployment Rate	
	Raw	Seasonally Adjusted
January	12.7	11.0
February	12.5	11.2
March	12.3	11.5
April	11.8	11.3
May	11.1	11.1
June	10.9	11.0
July	10.3	10.7
August	10.3	10.9
September	10.0 (prelim)	11.2 (prelim)

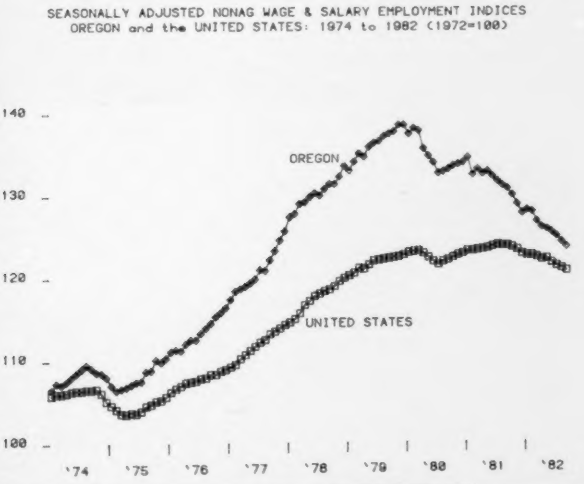
By the seasonal nature of Oregon's economy, unemployment predictably recedes from January through about September of each year.

The actual number of unemployed residents declined by 3,100 in September leaving 130,500 still without jobs. Total employment jumped by 8,600 to 1,177,600 in September but this fell short of seasonal expectations. The same was true for nonfarm payroll employment which increased by 10,800 to 975,100 in September. Due to the sub-par seasonal performance, Oregon's wage and salary employment index dropped another .6 to 123.8, the lowest level since October 1977.

A more positive sign in September, however, was the 2.2 rise in Oregon's diffusion index to 38.0. This means that the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment rose from just under 36% to 38%. Although the goal is to have more industries expanding than contracting (index value over 50%), September's change was at least in the right direction.



September's nonfarm employment rise of 10,800 was definitely not broadly-based. The reopening of schools following Labor Day pushed employment 11,200 higher in local education. But this was 4,300 fewer than a year ago. Budget woes facing many school districts will result in lower 1982-83 staffing levels than a year ago. This trend will be reinforced by declines in student enrollment in many districts throughout Oregon this fall. Lower enrollments are due to out-migration of unemployed workers and other demographic factors.



No other industry categories even came close to matching the September employment gain in local education. Retail trade managed to add 800 more workers, but this was far below the normal increase. About 1,000 workers were hired in the eating/drinking portion of retail trade, partially reflecting the boost in contracted food service activities associated with the opening of schools. Perhaps the biggest disappointment in September's job report was the overall increase of only 500 workers in the Wholesale and Retail Trade sector. On a seasonally adjusted basis this translates into a decline of 3,100 jobs - hardly a sign that consumer spending is about to take off!

Two other industry categories that generated at least 500 more jobs in September were Construction and Transportation Equipment. The pick up in building activity came mainly in home repair and electrical work. Lower interest rates and the recent successful sale of some $247 million in housing bonds by the State Department of Veterans Affairs and Oregon Housing Division will help this sector further in the months ahead.

A jump of 800 jobs in ship building and repair activities more than offset some layoffs in other sectors of the transportation equipment industry.

Several other manufacturing sectors were also in the minus column in September. Employment dropped in the machinery (-400) and instruments and related products (-300) industries due to a lack of orders. Layoffs were also reported in paper manufacturing (-400), primarily reflecting the need to reduce excess inventories of newsprint at one Portland area plant.

There was another "industry", or group of industries actually, that seemed to fare quite well in September as well as throughout the entire summer. Tourism, which includes such industries as restaurants, lodging places, amusements, etc., has enjoyed a relatively good 1982-to-date season, especially in light of the economy's overall weakness. According to the Travel Information Section of the Oregon Dept. of Transportation, visitor counts at the state's six border information centers showed a 6% increase in September over the same month a year ago. This increase pushed the visitor counts for June through September to just above 1981's total for the same four-month period. More than 220,000 visitors have passed through the information centers since mid-May.

To sum up, it appears that some of the main conditions necessary for economic recovery are beginning to fall into place. Inflation has declined significantly, and so have expectations of future inflation. Interest rates in the past few months have fallen, and many expect this trend to continue in the months ahead, although at a much slower rate. As a result the stock market has soared to new volume heights, making it easier for many corporations to raise needed funds.

But along with this growing optimism are some cold, hard statistics indicating that industrial production is still sliding, unemployment is still rising, and consumers are still cautiously waiting.... There seems to be a paradox here - consumers are waiting for the economy to improve before boosting their spending, while the economy is waiting for consumers to lead the recovery. The question is -- "Who's on first"?□

RESIDENT OREGON LABOR FORCE

	1/ Sept. 1982	2/ Aug. 1982	Change	% Change	5/ Sept. 1981
Civilian Labor Force 3/	1,308,100	1,302,600	+5,500	+0.4	1,343,900
Unemployment	130,500	133,600	-3,100	-2.3	120,000
Percent of Labor Force	10.0	10.3	xxx	xxx	8.9
Seasonally Adjusted Percent	11.2	10.9	xxx	xxx	10.4
Total Employment 4/	1,177,600	1,169,000	+8,600	+0.7	1,223,900

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1981 and January 1982, data for 1982 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ Sept. 1982	2/ Aug. 1982	Sept. 1981	Change From Aug. 1982	Change From Sept. 1981
TOTAL 3/	975,100	964,300	1,031,800	10,800	-56,700
Wage & Salary Employment Index 4/	123.8	124.4	130.9	xxx	xxx
Diffusion Index 5/	38.0	35.8	43.0	xxx	xxx
Total Manufacturing	196,500	196,700	213,100	-200	-16,600
Durable Goods	135,900	135,900	151,900	0	-16,000
Lumber & Wood Products	59,100	59,000	65,800	100	- 6,700
Logging & Sawmills	30,800	30,700	34,600	100	- 3,800
Veneer & Plywood	17,500	17,600	18,800	-100	- 1,300
Millwork & Structural Wood	6,000	5,900	6,400	100	- 400
Mobile Homes	1,600	1,600	2,100	0	- 500
Other Wood Products	3,200	3,200	3,900	0	- 700
Furniture & Fixtures	2,100	2,000	2,500	100	- 400
Stone, Clay, Glass, & Concrete	4,000	3,900	4,200	100	- 200
Primary Metals	7,300	7,400	10,100	-100	- 2,800
Blast Furnaces, Iron & Steel	4,000	4,100	5,600	-100	- 1,600
Nonferrous Metals	3,300	3,300	4,500	0	- 1,200
Fabricated Metals	9,600	9,600	11,500	0	- 1,900
Fabricated Structural Metals	4,000	3,900	4,400	100	- 400
Other Fabricated Metals	5,600	5,700	7,100	-100	- 1,500
Machinery	16,100	16,500	18,500	-400	- 2,400
Electrical Equipment & Supplies	10,300	10,300	10,200	0	100
Transportation Equipment	8,200	7,700	8,800	500	- 600
Instruments & Related Products	16,800	17,100	17,700	-300	- 900
Miscellaneous Manufacturing	2,400	2,400	2,600	0	- 200
Nondurable Goods	60,600	60,800	61,200	-200	- 600
Food & Kindred Products	30,400	30,100	29,900	300	500
Canning & Preserving	20,000	19,900	19,100	100	900
Other Food Products	10,400	10,200	10,800	200	- 400
Textile Mill Products	1,900	1,900	1,900	0	0
Apparel	3,000	3,000	2,900	0	100
Paper & Allied Products	9,700	10,100	10,500	-400	- 800
Printing & Publishing	10,300	10,300	10,400	0	- 100
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	500	500	500	0	0
Rubber & Plastic Products	2,400	2,500	2,600	-100	- 200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

				Change From	
INDUSTRY	Sept. 1982	Aug. 1982	Sept. 1981	Aug. 1982	Sept. 1981
(cont.)					
Total Nonmanufacturing	778,600	767,600	818,700	11,000	-40,100
Mining & Quarrying	2,600	2,500	2,500	100	100
Construction	33,000	32,500	39,200	500	- 6,200
Transportation, Communications, & Utilities	56,500	56,400	60,700	100	- 4,200
Transportation	32,000	31,800	35,100	200	- 3,100
Railroad	5,900	6,000	6,900	-100	- 1,000
Trucking & Warehousing	15,900	16,100	17,500	-200	- 1,600
Other Transportation	10,200	9,700	10,700	500	- 500
Communications	15,500	15,500	16,400	0	- 900
Utilities	9,000	9,100	9,200	-100	- 200
Trade	247,100	246,600	258,900	500	-11,800
Wholesale Trade	62,600	62,900	69,300	-300	- 6,700
Durable Goods	35,600	36,200	40,900	-600	- 5,300
Nondurable Goods	27,000	26,700	28,400	300	- 1,400
Retail Trade	184,500	183,700	189,600	800	- 5,100
General Merchandise	23,900	23,900	24,700	0	- 800
Food Stores	26,200	26,200	28,000	0	- 1,800
Auto Dealers & Service Stations	22,000	22,200	23,200	-200	- 1,200
Other Retail Trade	112,400	111,400	113,700	1,000	- 1,300
Finance, Insurance, & Real Estate	64,300	65,000	68,700	-700	- 4,400
Banking & Credit Agencies	23,500	23,600	25,300	-100	- 1,800
Other Finance, Insurance, & Real Estate	40,800	41,400	43,400	-600	- 2,600
Services	186,600	186,500	193,800	100	- 7,200
Hotels & Personal Services	23,600	23,500	25,200	100	- 1,600
Health Services	63,600	64,300	65,600	-700	- 2,000
Other Services	99,400	98,700	103,000	700	- 3,600
Government	188,500	178,100	194,900	10,400	- 6,400
Federal Government	30,700	30,900	30,700	-200	0
State Government	48,900	48,700	49,400	200	- 500
Education	18,000	17,600	19,000	400	- 1,000
Other State	30,900	31,100	30,400	-200	500
Local Government	108,900	98,500	114,800	10,400	- 5,900
Education	63,700	52,500	68,000	11,200	- 4,300
Other Local	45,200	46,000	46,800	-800	- 1,600
Labor-Management Disputes	0	100	500	-100	- 500

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

4/ The employment index is a measure of change from the base year (1972 = 100) of seasonally adjusted employment.

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

OURS AND EARNINGS - IMPROVEMENT DIDN'T SHINE

The elusive "ups" and persistent "downs" that ave been experienced for several months do not eem to indicate we are any closer to beginning he hard climb out from Oregon's economic woes. ugust figures for employes in Lumber and Wood roducts posted a .5 hour increase in average eekly hours and a $.03 decrease in average hour-y earnings from the July levels, accompanied by a mall rise in employment over the same time peri-d. While average weekly earnings gained $46.81 ver the August 1981 level as an outcome of in-reased weekly hours and hourly earnings, employ-ent fell 12.5% for the same time span. Veneer nd Plywood was the strongest performer posting a .7 hours per week increase due to returns from ayoff and resumption of near normal workweeks ollowing July vacation closures. Other sectors f Lumber and Wood Products experienced declines n both average weekly hours and hourly earnings s evidence of the continued ailing health of regon's wood products industry. The hardest hit as the Mobile Home Industry which lost 10.5 ours per week and $70.87 in weekly earnings due o production shutdowns in several firms.

Fabricated Metals posted a .6 hour increase in response to returns from July layoffs in several firms. As an outcome of increased average weekly hours in the Electronic Computing Equipment sector, Machinery recaptured a portion (.4 hour) of the weekly hours lost in July.

With continued hiring of lower paid seasonal workers in the Food and Kindred Products industry, hourly earnings fell ($.45) while weekly hours inched up .1 hour. Concurrently, other nondurable goods industries experienced a combination of increases and decreases in average weekly hours ranging from a 1.0 hour increase in Printing and Publishing (due to a large increase in overtime hours for lithographic firms responding to seasonal increases) to a decrease of 1.6 hours in Paper and Allied Products, caused by lack of demand for the products.

The nonmanufacturing sector posted an increase in average hourly earnings as declining production

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	2/ Aug. 1982	3/ July 1982	Aug. 1981	2/ Aug. 1982	3/ July 1982	Aug. 1981	2/ Aug. 1982	3/ July 1982	Aug. 1981
OTAL MANUFACTURING 4/	$378.48	$378.26	$353.03	38.0	37.6	37.2	$9.96	$10.06	$9.49
Durable Goods	403.13	398.43	368.48	38.8	38.2	37.6	10.39	10.43	9.80
Lumber & Wood Products	418.95	414.72	372.14	38.9	38.4	36.2	10.77	10.80	10.28
Logging & Sawmills	454.46	459.68	390.20	39.9	40.5	35.7	11.39	11.35	10.93
Veneer & Plywood	420.42	389.01	377.94	39.0	35.3	36.8	10.78	11.02	10.27
Millwork & Struct Wood	298.72	317.18	299.95	37.2	38.4	37.4	8.03	8.26	8.02
Mobile Homes	206.19	277.06	286.58	26.1	36.6	35.6	7.90	7.57	8.05
Other Wood Products	380.09	362.10	349.41	37.3	35.5	35.8	10.19	10.20	9.76
Furniture & Fixtures	230.48	256.28	236.67	32.1	33.9	34.3	7.18	7.56	6.90
Primary Metals	478.14	478.28	458.64	39.0	39.3	39.1	12.26	12.17	11.73
Fabricated Metals	363.07	369.00	355.32	36.6	36.0	37.8	9.92	10.25	9.40
Machinery	384.56	384.13	372.07	37.3	36.9	38.2	10.31	10.41	9.74
Nondurable Goods	322.54	331.42	313.49	36.2	36.3	36.2	8.91	9.13	8.66
Food & Kindred Prod	261.25	276.40	269.78	35.4	35.3	34.9	7.38	7.83	7.73
Canning & Preserving	214.83	224.76	224.11	34.1	33.9	33.3	6.30	6.63	6.73
Other Food Products	400.07	393.09	383.73	39.3	38.5	38.8	10.18	10.21	9.89
Textile Mill Products	202.99	191.76	199.02	38.3	37.6	38.2	5.30	5.10	5.21
Apparel	176.69	174.25	168.98	33.4	33.9	34.0	5.29	5.14	4.97
Paper & Allied Products	497.17	512.15	459.95	38.6	40.2	40.1	12.88	12.74	11.47
Printing & Publishing	392.63	364.09	353.81	34.9	33.9	35.1	11.25	10.74	10.08
Construction 4/	550.86	579.20	535.50	34.3	34.6	35.0	16.06	16.74	15.30
Communications & Utilities 5/	447.63	426.02	405.58	39.3	38.8	39.3	11.39	10.98	10.32
Trade 5/	283.37	284.76	286.58	34.1	34.6	35.6	8.31	8.23	8.05
Wholesale Trade	381.76	375.06	362.07	38.1	38.0	38.6	10.02	9.87	9.38
Retail Trade	231.04	234.46	227.47	32.0	32.7	33.6	7.22	7.17	6.77
Banking & Insurance	247.87	244.37	224.47						
State & Local Government	329.54	324.54	296.55						

/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

/ Preliminary

/ Revised

/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

worker counts increased the proportion of higher paid employes. Minor increases in average weekly hours for Communications and Utilities and Wholesale Trade were prompted by reduced overtime in Construction and reduced hours in General Merchandise and Food Stores, as well as Furniture, Home Furnishings, and Equipment Stores.

While the summer sun was warming Oregon's atmosphere, expectations were hopeful that a modest improvement would occur during the summer months for Oregon's workers. These expectations were not met. The Nonagricultural Wage and Salary Employment level was at its highest in June since December 1981 but fell dramatically in July and August to its lowest point in 4½ years. Similarly, average weekly hours for production workers in June 1982 was at its highest level since August 1980 with the July and August 1982 weekly hours falling sharply from June. In spite of this, average weekly hours for June, July and August 1982 exceeded those for the same time period in 1981. In summary, total Nonagricultural Wage and Salary Employment in June, July and August 1982 was down 5.3%, 5.2%, and 5.2% respectively since 1981, while production worker average weekly hours were up only slightly at 2.2, 0.5 and 3.7 hours for the same time period. The sought-after improvement in adverse conditions affecting Oregon's workers didn't shine this summer.□

UNEMPLOYMENT VS INFLATION — HISTORICAL PERSPECTIVE

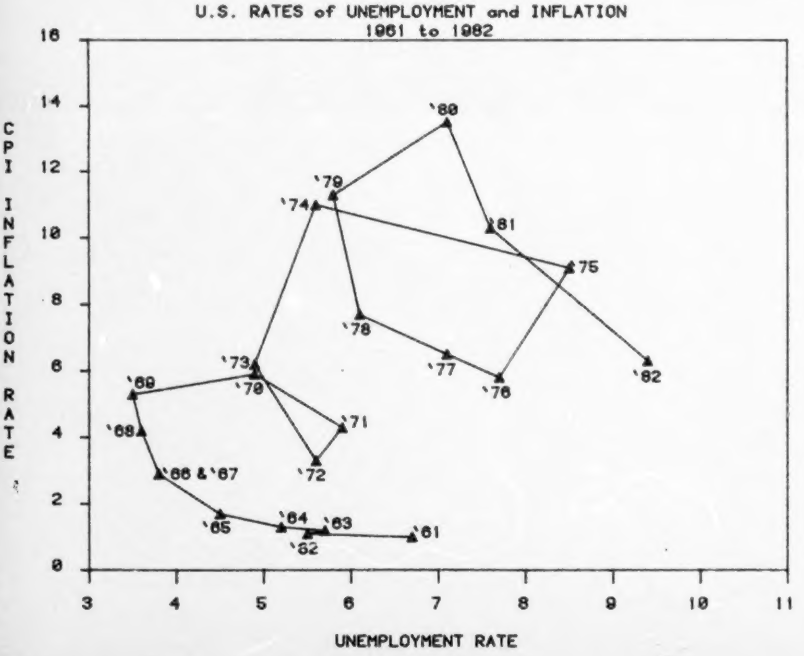
The following is continued from last months (September 1982) article titled "UNEMPLOYMENT vs. INFLATION - THE UPS AND DOWNS". Basic definitions and concepts were reviewed as well as the role of interest rates and their relationships to inflation and unemployment.

The following graph and table show the relationship between U.S. unemployment rates and CPI inflation for the years 1961 through 1982. The reader can follow on the graph the changes in both variables from year to year.

In the early 1960s unemployment fell fairly rapidly, accompanied by a slow rise in inflation. Policies of economic stimulus, emphasizing social programs, came into effect. Improvements in productivity in this era of rapid technological advance helped hold down inflation. So did two other factors that were then taken for granted: stable world energy prices and the absence of expectations of high inflation.

In the late 1960s unemployment rates fell more slowly and inflation accelerated as the nation pursued both the Vietnam War and extensive social programs. Unit labor and capital costs rose as productive capacity was strained near its limit. The decade of the 60s provides a classic example of rising "demand" inflation.

From 1970 to 1972 over 300,000 persons per year left the military and sought civilian jobs. The unemployment rate rose dramatically in 1970. Inflation continued to rise. The public had gradually come to regard inflation above 4% as permanent, and a "price-wage spiral" was in evidence. The process of taking the dollar off the gold standard and establishing floating exchange rates began in 1971. The devaluation of the dollar that accompanied this change tended to add to our inflation but lessen our country's unemployment. Wage and price controls instituted in 1971 had at least a temporary restraining effect on inflation



	Unemployment	Inflation
1961	6.7	1.0
1962	5.5	1.1
1963	5.7	1.2
1964	5.2	1.3
1965	4.5	1.7
1966	3.8	2.9
1967	3.8	2.9
1968	3.6	4.2
1969	3.5	5.9
1970	4.9	5.9
1971	5.9	4.3
1972	5.6	3.3
1973	4.9	6.2
1974	5.6	11.0
1975	8.5	9.1
1976	7.7	5.8
1977	7.1	6.5
1978	6.1	7.7
1979	5.8	11.3
1980	7.1	13.5
1981	7.6	10.3
1982*	9.5	6.3

* Estimate based on 9 month's data.

but unemployment continued to rise. In 1972 these traumatic events appeared to have run their course and improvements were seen in both unemployment and inflation.

Some inflationary shocks occurred in international trade in 1973. Grain sales were made to the USSR, and a surge of world demand set off an exaggerated rise in food prices and provided more American jobs. Another shock was developing that would seriously damage the job market: foreign oil prices jumped by an unheard of 24%.

During 1974 the Organization of Petroleum Exporting Countries (OPEC) quadrupled its prices, and foreign oil prices as a whole tripled in one year. Inflation leaped from 6 to 11%. Heavy borrowing by industry to cover rising production costs pushed the prime rate above 11%, and a recession began.

In 1975, as high energy costs made production less profitable for many employers, millions of Americans lost their jobs. The unemployment rate rose from 5½% to 8½%. Inflation began to fall slowly as the increase in world oil prices subsided to 12% and domestic and foreign demand was weakened by a worldwide recession. By 1976 the U.S. recession had ended and the unemployment rate improved as inflation continued to subside. The federal budget deficit, which averaged just under 1% of the Gross National Product (GNP) from 1961 to 1974, jumped to 2½% and nearly 4% of the GNP in 1975 and 1976. From 1975 through 1981 the deficit averaged about 2½% of the GNP.

The unemployment rate fell rapidly in 1977 and 1978 as inflation increased moderately. The traditional "demand" relationship between unemployment and inflation could again be detected but at a higher level of trade-off (compare the 1976-1978 curve with the 1961-1967 curve). Expectations of 6-8% inflation had become a partially self-fulfilling reality. Budget deficits remained above 2% of the GNP as social programs were emphasized. Efforts to become less dependent on foreign energy met with little success as oil prices stabilized.

During 1979 and 1980 inflation rose rapidly and continued upward to the highest level since 1947. Foreign oil prices more than doubled during these two years - a surprisingly little known fact. The unemployment rate, having improved for four straight years, rose sharply during the acute recession of the first half of 1980. The budget deficit, having fallen to 1% of the GNP in 1979 rose above 2% of the GNP of 1980. A major shift was instituted in monetary policy. Instead of managing interest rates, the Federal Reserve Board began a "monetarist" policy of strictly controlling the rate of growth of the money supply. Consistent slow monetary growth contributed to the rapid rise in interest rates, and thus to high unemployment. Core inflation peaked at about 9%.

In 1981 and so far in 1982, inflation has fallen from over 13% to under 7%. At the same time unemployment has risen by over two percentage points. The main causes for improvement in inflation have been stabilizing world oil prices, continued steady slow growth in the money supply, and slackening demand associated with the present recession that began officially in mid 1981. The prime rate peaked above 20% in 1981 but has now fallen below 14%. The drop in inflation has come in spite of the 1982 budget deficit being near 4% of the GNP. Core inflation has fallen to about 7½%.

In the past two years U.S. inflation rates have been halved. This achievement has occurred in the context of a long period of recession in which the national unemployment rate has risen above 10% and will average about 9½% for 1982.□

A more detailed analysis of the current interactions between unemployment and inflation will be sent to you upon request.

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
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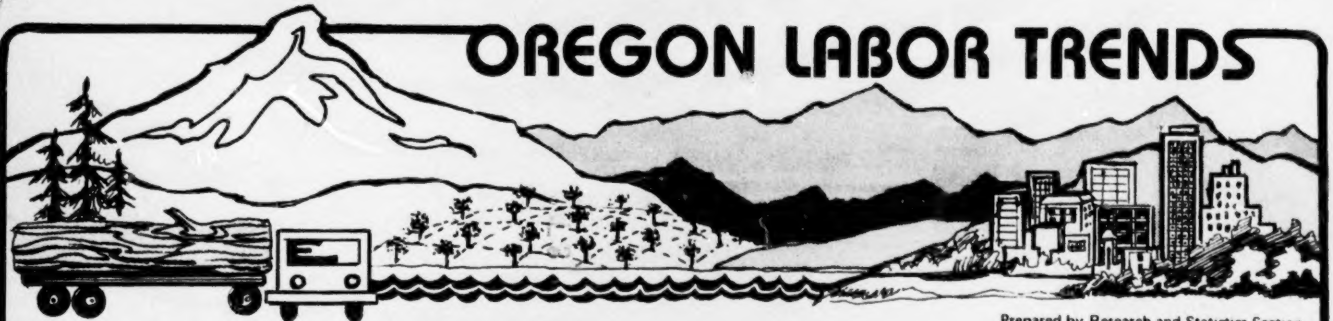


OREGON LABOR TRENDS

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

Prepared by Research and Statistics Section
November 1982

OCTOBER INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Actual
Oct. '82	11.5	10.3
Sep. '82	11.2	10.1
U.S.		
Oct. '82	10.4	9.9
Sep. '82	10.1	9.7

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1972=100
Oct. 1982:	123.9
Sep. 1982:	123.8
Oct. 1981:	130.1
Oct. 1980:	133.7
Oct. 1979:	137.9

DIFFUSION INDEX

Oregon	
Oct. 1982:	40.7
Sep. 1982:	37.2
Aug. 1982:	35.8

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Sep. 1982:	39.1
Aug. 1982:	38.0
Sep. 1981:	37.2

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Sep. 1982	288.2
Year Change	- 1.0%
U.S.	
Oct. 1982	294.1
Year Change	5.1%

NO TURN AROUND YET

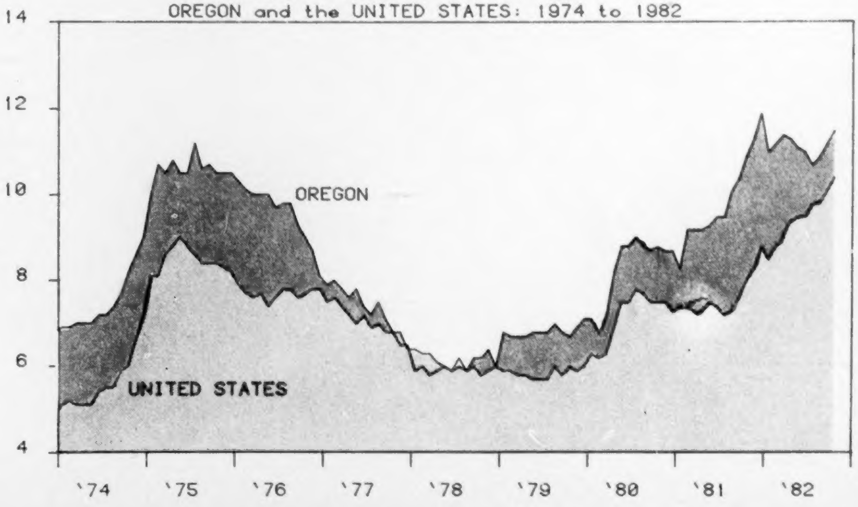
"When will economic recovery begin?" is perhaps today's most frequently asked question now that the elections are over. Economists are often called upon to make that prediction. But predicting the precise date of recovery remains an elusive effort despite all the analytical tools available. What economists can do and do with a high level of precision is tell the current status of the economy and provide some insight as to the direction the economy is heading.

Economic statistics for the U.S. and for Oregon were discouraging in October, a continuation of the poor performance evident for the last couple of years. Basically, the least desirable of possible trends took place - unemployment counts went up, while the employed numbers went down.

The nation's unemployment rate, after adjustment for normal seasonal variation, climbed to 10.4% in October from 10.1% in September. The number of unemployed workers in the U.S. is pushing 11 million or about four times the population of Oregon!

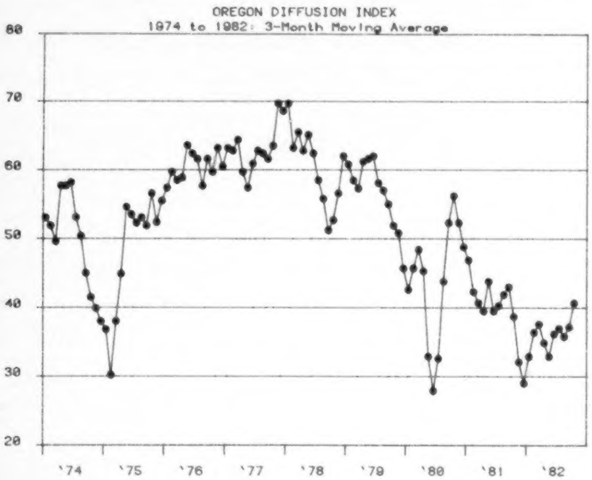
The seasonally adjusted rate of unemployment in Oregon returned to the 1982 high of 11.5% in October, up .3 from September's 11.2%. Unadjusted, the rate was also disappointing, moving to 10.3% from 10.1%. In the equation used to produce the rate of unemployment, the numerator (a count of the unemployed) climbed 3,000 over the month, while the denominator (the civilian

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON and the UNITED STATES: 1974 to 1982



labor force - both employed and unemployed) went down by 5,300. Though a lesser figure, the change in the number of unemployed had the greatest adverse impact on the rate since the numerator is small relative to the denominator. The numbers are a reflection of further job cutbacks in the manufacturing and construction industries, plus a reduction in the number of seasonal jobs available to farm workers.

Disappointment in other October statistics was not fully evident at first glance. For example, the nonagricultural wage and salary employment index showed an increase. The .1 gain, even though slight, was the first rise reported in the index in 1982. Likewise, the diffusion index, a lead economic indicator, using changes in seasonally adjusted employment, showed a gain in October.



Unfortunately, any real signs of economic strength were missing in the October numbers. Rather the influence of the prolonged recession gave economic observers a mild miscue. It is in the summer months that a surge of hiring usually takes place as good weather permits outdoor activity and because of the availability of student workers. And it is in the Fall that high employment and good weather are reversed. But in 1982 the summer employment build up was mild at best, promoting smaller layoffs in the Fall. Furthermore, since employment levels in general have been reduced to those existing five years ago, employers have already chopped any surplus labor to the bone. When the numbers relating to these employment changes were seasonally adjusted, the result produced the false ray of hope in our economic indicators.

A look at selected industry employment numbers tells the story. In the important goods producing (manufacturing) industries employment dropped 5,600 over the month, about 500 more than would be expected for the time of year. Most damaging was the reduction of 2,000 workers in the durable goods sector excluding lumber and wood products. The big loser was primary metals (-600) followed by machinery (-400). Production activity and consequently employment in these areas have been reduced to compensate for the overall weakness in the economy.

Also hard hit in October was Oregon's construction industry which dropped 2,600 workers over the month. Assuming normal seasonal conditions, just 700 workers should normally be put out of work in October. Looking back three years to more normal times when Oregon was creeping to the edge of the recession, construction employment was 57,900 and made up 5.3% of the nonfarm total. By October 1982 the construction share of the total fell to 30,500 workers representing just 3.1% of the total. The table below shows the construction industry has both lost more employment and has shown a greater percentage reduction than any other major industry.

	October 1982	October 1979	No. Change	Pct. Change
Lumber & Wood Prod.	57,700	82,900	-25,200	-30.4%
Other Durables	75,000	93,700	-18,700	-20.0
Food & Kindred Prod.	29,200	29,900	- 700	- 2.3
Other Nondurables	30,300	31,900	- 1,600	- 5.0
Mining	2,400	2,600	- 200	- 7.7
Construction	30,500	57,900	-27,400	-47.3
Trans., Comm., Util.	56,600	61,800	- 5,200	- 8.4
Trade	245,400	261,800	-16,400	- 6.3
Fin., Ins., Real Est.	64,000	69,900	- 5,900	- 8.4
Services	185,200	191,100	- 5,900	- 3.1
Government	197,500	203,700	- 6,200	- 3.0

In services, employment dipped 1,300 in October or about twice the number expected. Health services workers in particular, are now feeling the brunt of the recession for several reasons. First, soaring medical costs have forced many people out of the market, unable to afford the cost of the medical and dental care. Second, a faltering economy has reduced the number of people who are eligible for medical coverage via their employer. And, finally, uncertainty about the future has prompted many people to forego the discretionary use of medical services. Together these factors equate to reduced employment in health services following years of steady growth.

Not everything was doom and gloom in October, it's just that the good news was overshadowed and there was less good news than bad news. Take a look at nondurable goods manufacturing, for example. The whole sector is down just 100 workers from a year earlier - not a bad showing when total wage and salary employment has shown a drop approaching 50,000. Mild encouragement can be felt, too, from the strength (or better lack of reduction) noted in the food processing sector in October. A longer harvest season for corn and earlier processing of squash contributed to a seasonally adjusted increase of 200 over the month and a gain of 900 from a year earlier. In paper and allied products a glut of newsprint remains a concern, but at least one plant resumed operations in October putting about 300 employes back to work.

What was happening in the Oregon lumber and wood products industry in October? Nothing too unusual. Employment went down 1,600 due largely to a scaling back of logging operations with the approach of winter.

Earlier it was said an economist can provide information on the current status of the economy and provide information as to the direction the economy is heading. Probably 90% of this article has been devoted to current economic conditions with the remainder devoted to the future, an appropriate distribution considering the hazards inherent in forecasting.

With winter approaching, any chance for economic improvement in the near future is bleak in a state still largely dependent on lumber, construction, agriculture, and other outdoor activities. Nevertheless, empirically evident rays of hope bode well for the future. Despite continuing high joblessness, a couple of factors critical to the health of Oregon's economy are coming into line - interest rates have been reduced to near reasonable levels and national housing starts are picking up. Given a continuation of these trends, Oregon will see the momentum for recovery begin to build in the Spring of 1983.□

NEW RELEASES

CAREER GUIDE

The 1982-83 updated edition of CAREERS 1982: A Guide to Careers in Oregon is now available. The handy newspaper format provides information on over 250 occupations in Oregon, including job descriptions, number of people employed, average wages, employment outlook for the near future, training requirements and schools that offer training. In addition, 26 new articles discuss labor market trends, training and education programs, and job hunting techniques. Thirty thousand copies of this year's edition are being sent to high schools, community colleges, and Employment and Training agency counseling centers.

Are you involved in career counseling, planning or even job hunting for yourself? Limited copies are available by contacting:

Employment Division - R&S
875 Union Street NE
Salem, OR 97311
ATTN: David Allen
Phone: (503) 378-6400
Toll-free: 800-452-7813

FROM THE OREGON ECONOMIC DEVELOPMENT DEPARTMENT

Oregon Directories:

Directory of Oregon Manufacturers, 1982-83. Contains information on more than 5,000 manufacturing firms indexed alphabetically, geographically, and by Standard Industrial Classification code. Oregon products also are listed alphabetically. Price $40.00.

Oregon International Trade Directory, 1981-1982. Lists more than 900 Oregon firms engaged in international trade, cross-referenced by name, city, SIC code, and country of international activity. A Support Services section lists companies, agencies, and associations providing international services. Price $10.00.

To order, send check or money order payable to the State of Oregon to Economic Development Dept., 155 Cottage Street, N.E., Salem, OR 97310

1979 INCOME AND POVERTY CHARACTERISTICS CITIES AND COUNTIES OF OREGON

This new release of the Bureau of Governmental Research and Service provides important income and poverty information from the 1980 U.S. Census for Oregon, its 36 counties and its 136 cities with a population of 1,000 or more.

The report presents detailed data on household and family income, per capita income, and incomes below poverty level. A summary analysis considers recent trends in income and poverty levels in Oregon as well as changes in the historical composition and geographic distribution of income and poverty. The text and statistics provide a basis for comparative studies of economic conditions among Oregon's cities and counties and for other types of local area social and economic analysis.

Single copies are available for $6.00 prepaid; discounts available for multiple copies.

Bureau of Governmental Research and Service
P.O. Box 3177
Eugene, OR 97403
Phone (503) 686-5232

MORE FROM THE 1980 CENSUS

Income and poverty characteristics, school enrollment and education levels, and other population and household information is now available for Oregon from the 1980 U.S. Census on Summary Tape File 3A. This is the first source of 1980 Census information summarized for counties, cities, and smaller geographic areas.

Data from this source may be obtained free or on a cost-reimbursable basis from:

Bureau of Governmental Research and Service
P.O. Box 3177
Eugene, OR 97403
Phone: (503) 686-5232.

RESIDENT OREGON LABOR FORCE

	1/ Oct. 1982	2/ Sept. 1982	Change	% Change	5/ Oct. 1981
Civilian Labor Force 3/	1,305,100	1,310,400	-5,300	-0.4	1,335,600
Unemployment	134,700	131,700	3,000	2.3	127,800
Percent of Labor Force	10.3	10.1	xxx	xxx	9.6
Seasonally Adjusted Percent	11.5	11.2	xxx	xxx	10.9
Total Employment 4/	1,170,400	1,178,700	-8,300	-0.7	1,207,800

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1981 and January 1982, data for 1982 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ Oct. 1982	2/ Sept. 1982	Oct. 1981	Change From Sept. 1982	Change From Oct. 1981
TOTAL 3/	973,800	975,300	1,023,000	-1,500	-49,200
Wage & Salary Employment Index 4/	123.9	123.8	130.1	xxx	xxx
Diffusion Index 5/	40.7	37.2	38.7	xxx	xxx
Total Manufacturing	192,200	197,800	204,900	-5,600	-12,700
Durable Goods	132,700	136,300	145,300	-3,600	-12,600
Lumber & Wood Products	57,700	59,300	60,800	-1,600	- 3,100
Logging & Sawmills	29,700	30,800	32,200	-1,100	- 2,500
Veneer & Plywood	17,400	17,700	17,100	- 300	300
Millwork & Structural Wood	5,700	6,000	6,000	- 300	- 300
Mobile Homes	1,600	1,500	1,900	100	- 300
Other Wood Products	3,300	3,300	3,600	0	- 300
Furniture & Fixtures	2,200	2,200	2,500	0	- 300
Stone, Clay, Glass, & Concrete	3,800	3,900	4,100	- 100	- 300
Primary Metals	6,800	7,400	9,900	- 600	- 3,100
Blast Furnaces, Iron & Steel	3,800	4,100	5,500	- 300	- 1,700
Nonferrous Metals	3,000	3,300	4,400	- 300	- 1,400
Fabricated Metals	9,500	9,700	11,400	- 200	- 1,900
Fabricated Structural Metals	3,900	4,000	4,400	- 100	- 500
Other Fabricated Metals	5,600	5,700	7,000	- 100	- 1,400
Machinery	15,700	16,100	18,100	- 400	- 2,400
Electrical Equipment & Supplies	10,200	10,300	9,500	- 100	700
Transportation Equipment	8,100	8,200	9,000	- 100	- 900
Instruments & Related Products	16,400	16,800	17,400	- 400	- 1,000
Miscellaneous Manufacturing	2,300	2,400	2,600	- 100	- 300
Nondurable Goods	59,500	61,500	59,600	-2,000	- 100
Food & Kindred Products	29,200	31,400	28,700	-2,200	500
Canning & Preserving	18,400	20,900	17,500	-2,500	900
Other Food Products	10,800	10,500	11,200	300	- 400
Textile Mill Products	1,900	1,900	1,900	0	0
Apparel	2,900	3,000	2,900	- 100	0
Paper & Allied Products	9,800	9,600	10,200	200	- 400
Printing & Publishing	10,400	10,300	10,400	100	0
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	500	500	500	0	0
Rubber & Plastic Products	2,400	2,400	2,500	0	- 100
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

				Change From	
INDUSTRY	Oct. 1982	Sept. 1982	Oct. 1981	Sept. 1982	Oct. 1981
(cont.)					
Total Nonmanufacturing	781,600	777,500	818,100	4,100	-36,500
Mining & Quarrying	2,400	2,600	2,500	- 200	- 100
Construction	30,500	33,100	37,400	-2,600	- 6,900
Transportation, Communications, & Utilities	56,600	56,500	60,100	100	- 3,500
Transportation	32,200	32,000	34,700	200	- 2,500
Railroad	5,800	5,900	6,700	- 100	- 900
Trucking & Warehousing	16,300	15,900	17,500	400	- 1,200
Other Transportation	10,100	10,200	10,500	- 100	- 400
Communications	15,400	15,500	16,300	- 100	- 900
Utilities	9,000	9,000	9,100	0	- 100
Trade	245,400	246,800	254,900	-1,400	- 9,500
Wholesale Trade	62,000	62,600	68,500	- 600	- 6,500
Durable Goods	35,200	35,700	40,400	- 500	- 5,200
Nondurable Goods	26,800	26,900	28,100	- 100	- 1,300
Retail Trade	183,400	184,200	186,400	- 800	- 3,000
General Merchandise	24,300	23,600	24,400	700	- 100
Food Stores	25,900	26,000	27,200	- 100	- 1,300
Auto Dealers & Service Stations	22,000	22,100	23,000	- 100	- 1,000
Other Retail Trade	111,200	112,500	111,800	-1,300	- 600
Finance, Insurance, & Real Estate	64,000	64,200	67,200	- 200	- 3,200
Banking & Credit Agencies	23,300	23,500	25,300	- 200	- 2,000
Other Finance, Insurance, & Real Estate	40,700	40,700	41,900	0	- 1,200
Services	185,200	186,500	191,600	-1,300	- 6,400
Hotels & Personal Services	22,600	23,200	24,300	- 600	- 1,700
Health Services	62,900	63,800	65,000	- 900	- 2,100
Other Services	99,700	99,500	102,300	200	- 2,600
Government	197,500	187,800	204,400	9,700	- 6,900
Federal Government	30,400	30,600	30,100	- 200	300
State Government	52,300	48,900	53,000	3,400	- 700
Education	22,600	18,000	23,100	4,600	- 500
Other State	29,700	30,900	29,900	-1,200	- 200
Local Government	114,800	108,300	121,300	6,500	- 6,500
Education	71,800	64,000	75,800	7,800	- 4,000
Other Local	43,000	44,300	45,500	-1,300	- 2,500
Labor-Management Disputes	100	0	100	100	0

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

4/ The employment index is a measure of change from the base year (1972 = 100) of seasonally adjusted employment.

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS AND EARNINGS – GROSS EARNINGS VS. CONSUMER SPENDING

Most ecomonic observers are pretty much in agreement that we are at, or very near the bottom of the current economic cycle. While government and private business work to turn things around, the search is on for positive indications of a turnaround to one of the most depressing of recessions. There are a host of indicators that are being closely monitored, but as yet no clear direction has emerged. Reduced inflation, lower interest rates, and a small upturn in construction starts provide for some optimism; however, there are still many indications that Oregon's economy is not out of the woods yet. For those who have suffered through the past year with little or no work to tide them through the coming winter, optimism will remain in short supply.

Looking at Gross Earnings

One discouraging insight into the relative health of Oregon's economy is provided by looking at Gross Earnings for production workers in manufacturing, where Gross Earnings = Average Hourly Earnings x Average Weekly Hours x Production Workers. A comparison of gross earnings with the Portland Consumer Price Index with changes in average hourly earnings for total manufacturing provides an insight into the level of earnings flowing through Oregon's economy. Even though manufacturing comprises only 20% of Oregon's total nonagricultural employment, it offers a look at the well-being and direction of the rest of the economy.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Sept. 2/ 1982	Aug. 3/ 1982	Sept. 1981	Sept. 2/ 1982	Aug. 3/ 1982	Sept. 1981	Sept. 2/ 1982	Aug. 3/ 1982	Sept. 1981
TOTAL MANUFACTURING 4/	$395.30	$378.48	$361.96	39.1	38.0	37.2	$10.11	$9.96	$9.73
Durable Goods	420.03	402.74	372.00	39.7	38.8	37.2	10.58	10.38	10.00
Lumber & Wood Products	441.98	418.56	357.41	40.4	38.9	34.3	10.94	10.76	10.42
Logging & Sawmills	480.11	454.46	377.74	41.0	39.9	34.0	11.71	11.39	11.11
Veneer & Plywood	435.78	420.42	349.10	40.5	39.0	33.6	10.76	10.78	10.39
Millwork & Struct Wood	323.20	298.72	300.03	38.8	37.2	36.5	8.33	8.03	8.22
Mobile Homes	299.12	222.08	265.53	38.3	27.9	33.4	7.81	7.96	7.95
Other Wood Products	394.60	380.09	361.12	38.8	37.3	37.0	10.17	10.19	9.76
Furniture & Fixtures	249.00	241.58	232.10	33.2	33.6	33.3	7.50	7.19	6.97
Primary Metals	478.63	478.14	493.95	39.2	39.0	41.3	12.21	12.26	11.96
Fabricated Metals	374.36	363.07	345.71	37.7	36.6	37.7	9.93	9.92	9.17
Machinery	399.62	383.82	383.23	37.7	37.3	38.4	10.60	10.29	9.98
Nondurable Goods	340.05	323.99	335.92	37.7	36.2	37.2	9.02	8.95	9.03
Food & Kindred Prod	287.23	265.54	281.34	37.4	35.5	35.3	7.68	7.48	7.97
Canning & Preserving	245.22	214.83	234.26	36.6	34.1	34.0	6.70	6.30	6.89
Other Food Products	399.74	401.65	389.76	39.5	39.3	38.4	10.12	10.22	10.15
Textile Mill Products	196.84	202.99	197.46	37.0	38.3	37.9	5.32	5.30	5.21
Apparel	186.18	176.69	173.72	34.8	33.4	34.4	5.35	5.29	5.05
Paper & Allied Products	530.79	497.17	530.72	41.5	38.6	44.9	12.79	12.88	11.82
Printing & Publishing	386.83	392.63	372.38	34.6	34.9	35.6	11.18	11.25	10.46
Construction 4/	535.00	550.86	507.09	33.5	34.3	33.1	15.97	16.06	15.32
Communications & Utilities 5/	438.31	447.63	412.24	39.1	39.3	39.6	11.21	11.39	10.41
Trade 5/	286.41	285.86	278.95	34.3	34.4	35.0	8.35	8.31	7.97
Wholesale Trade	377.88	381.76	358.91	37.6	38.1	37.9	10.05	10.02	9.47
Retail Trade	235.95	233.93	232.77	32.5	32.4	33.3	7.26	7.22	6.99
Banking & Insurance	246.96	247.87	228.64						
State & Local Government	319.17	327.85	304.26						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

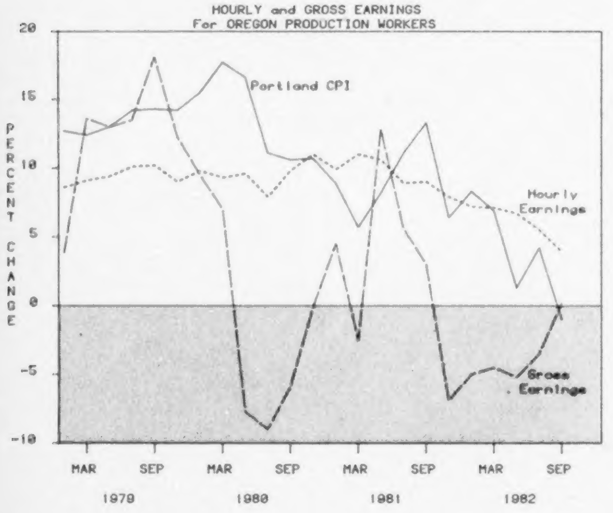
2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

Despite a dramatic slowdown of inflation, gross earnings have failed to keep abreast since 1979. With fewer people working, gross earnings have been on the decline despite rising average hourly earnings. An increasing proportion of higher paid workers has boosted average hourly earnings more than what might be expected and has also softened the drop in gross earnings as the number of production workers fell. It should also be noted that average weekly hours have remained reasonably stable, with the average percent change dropping a modest 2.1% since 1979. The following is a comparison of what has happened to gross earnings in relation to the Portland CPI and the average hourly earnings component from January 1979 to present. Alternating months have been used to coincide with the availability of Portland area CPI data.



Monthly changes in Hours and Earnings

September weekly hours and earnings for the durable goods sector registered advances over August levels. In Lumber & Wood Products, those still working saw average hourly earnings gain $.18 over the preceding month. Good news also came in the form of a 1.4 increase in weekly hours and a stable number of production workers. However, with little or no backlog of orders for many operators, production schedules will remain shakey at best for some months to come. Logging & Sawmill operations posted the largest gain in hourly earnings, climbing $.32.

Increases in overtime paid by several operators provided the basis for the improvement. Perhaps the biggest turnaround came in Mobile Home manufacturing, where hours rose 10.4 while hourly earnings fell $.15. It is expected that this particular sector will continue to report wide swings until improved product demand returns on the heels of lower finance costs to consumers. Machinery production worker employment fell by over 300 resulting in a larger proportion of higher paid workers which in turn pushed average hourly earnings up by $.31.

Good news prevailed in Canning & Preserving. Weekly hours jumped 2.5 while hourly earnings rose $.40. Revised total employment for September climbed 1,000 over the August level. Production worker employment accounted for 700 of that total. Elsewhere, in Other Food Products, a resumption in production activities by a meat processing firm accounted for a 200+ gain in production workers. The improvement is not expected to continue as production activity reportedly will fall off and remain sporadic through the winter. Average weekly hours for Textile Products fell 1.3 as producers attempted to bring production schedules more in line with current orders.

An over supply of newsprint is having an impact on Paper & Allied Products resulting in a 300 decline in production worker employment. While this would seem to run counter with the 2.9 increase in weekly hours reported, the upswing was due to a major operator working through a holiday. The upturn is an expected occurrence and due primarily to the scheduling of production activities by a single firm.

Construction experienced a mild revival of sorts as construction starts rose a seasonally adjusted 4% for September. The increased activity was also reflected in the 1,100 employment increase of production workers. The improvement stems in part from HUD allocations for multifamily projects as well as nonresidential building. A single firm accounted for much of the increase in nonresidential construction. This influx of workers has resulted in a downward pressure on average hourly earnings ($.09) and weekly hours (.8).

In looking at hours and earnings for Trade, the first impression is that very little happened over the month. Reflecting on the general well being of manufacturing mentioned earlier, effects are evident in the Trade sector as well. Gross earnings have fallen 3.2% over the past year as a result of declining employment. Though weekly hours fell .1, the average August to September decline has been .5 hours over the last 10 years. As such, the drop in earnings could well have been steeper had the drop in weekly hours followed previous years trend.

A clear direction for the economy is hard to detect from month to month changes. Since January 1979, gross earnings have exceeded changes in the Portland CPI only three times. While consumer spending is a derivative of gross earnings, manufacturing activity determines the level of earnings available for such spending. One note of optimism drawn from this comparison is that in the last six months the percent changes for Gross Earnings, Portland CPI and Average Hourly Earnings have moved closer. Whether this is to say that conditions are improving is for time to tell.□

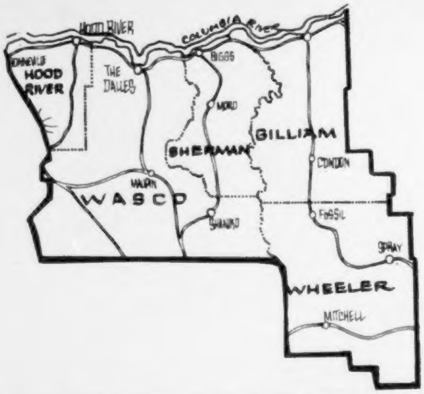
MID-COLUMBIA REGION PROFILE

This region, bordering the Columbia River, is comprised of five counties with a 1981 population of 43,800. In this relatively sparsely populated area, 1.6% of Oregon's population occupies nearly 7% of the state's total land area. Its major population center, The Dalles on the Columbia River, had 11,315 residents in 1981. The entirety of these rural counties lies within four hours driving time to the City of Portland. An unemployment rate of 9.9% during 1981 was identical with the state rate.

Wasco and Hood River counties have experienced extensive economic diversification over the past two decades. This area is a leading producer of apples, pears and cherries, the harvesting and processing of fruit is a major industry. While remaining a basic element of the economy, lumber and wood products has been of diminishing importance. Manufacturing has expanded to include not only food processing but aluminum reduction (Martin-Marietta), clothing (Jantzen), sporting goods (Luhr-Jensen), Nicholas Boats, Hood River Distillers and several other varied firms.

The port districts of Hood River and The Dalles have led the way in promoting industrial diversification and providing plant sites. Road, rail and water transport are of growing importance as the Columbia River serves as a funnel for east-west commerce. The Dalles, John Day and Bonneville dams have boosted federal employment as well as providing power for industrial development. Travel-oriented business, such as restaurants and motels, has grown as commercial and tourist traffic has grown. Recessionary effects have expanded from lumber and wood products to include building construction, transportation, fruit canning and, most recently, cutbacks in aluminum production.

Interestingly, the most significant employment boost during the past year in Wasco County has occurred at Rajneesh-puram. This community, established by the disciples of Bhagwan Shree Rajneesh, on the former 64,000 acre Big Muddy Ranch, now exceeds 500 persons. The group is in the process of investing as much as $35 million in an effort to establish a largely self-sufficient religious community ultimately providing residence for up to 5,000 persons. The effort has generated extensive controversy in this rugged, sparsely populated region bordering the John Day River.



The recent announcement by Diamond Fruit Growers of its closure of their Hood River Cannery will have an adverse effect on the Hood River economy. The plant afforded roughly 400 jobs during periods of peak operation. The company's fresh fruit processing facility will remain in operation however.

The economy of Sherman, Gilliam and Wheeler counties is largely centered on dry land grain and livestock production. Expansion of travel-oriented business has grown to serve travelers along the freeway bordering the Columbia River. Over the 1970-80 period, Wheeler and Gilliam counties led Oregon in percentage of population decline with losses of 18.2% and 12.2% respectively. Several years ago Wheeler County's major employer, the Kinzua Sawmill, closed its doors. The subsequent outmigration of the mill's workers has left a largely agricultural economy.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

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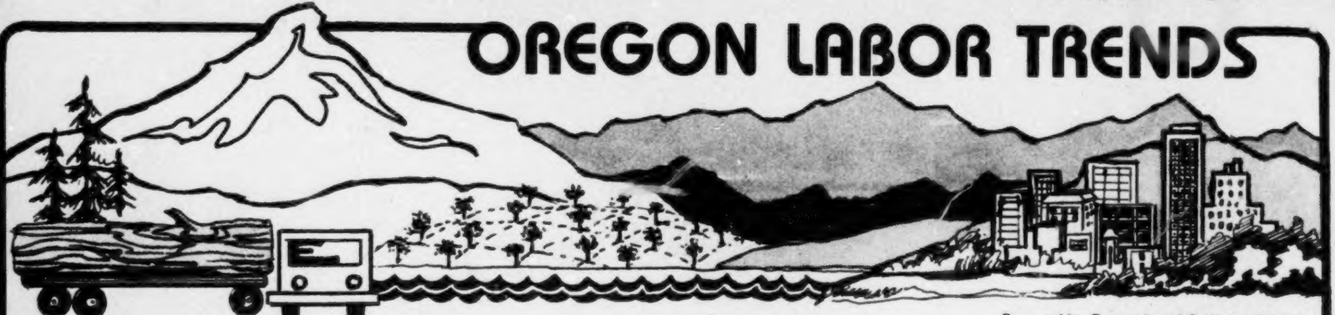


OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

DECEMBER 1982

NOVEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Actual
Nov. '82	12.5	11.9
Oct. '82	11.5	10.4
U.S.		
Nov. '82	10.8	10.4
Oct. '82	10.4	9.9

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1972=100
Nov. 1982:	123.3
Oct. 1982:	123.8
Nov. 1981:	129.0
Nov. 1980:	133.9
Nov. 1979:	138.7

DIFFUSION INDEX

Oregon	
Nov. 1982:	44.2
Oct. 1982:	40.3
Sep. 1982:	37.2
Aug. 1982:	35.8

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Oct. 1982:	37.6
Sep. 1982:	38.8
Oct. 1981:	37.2

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA	
Nov. 1982	285.6
Year Change	2.5%
U.S.	
Nov. 1982	293.2
Year Change	4.6%

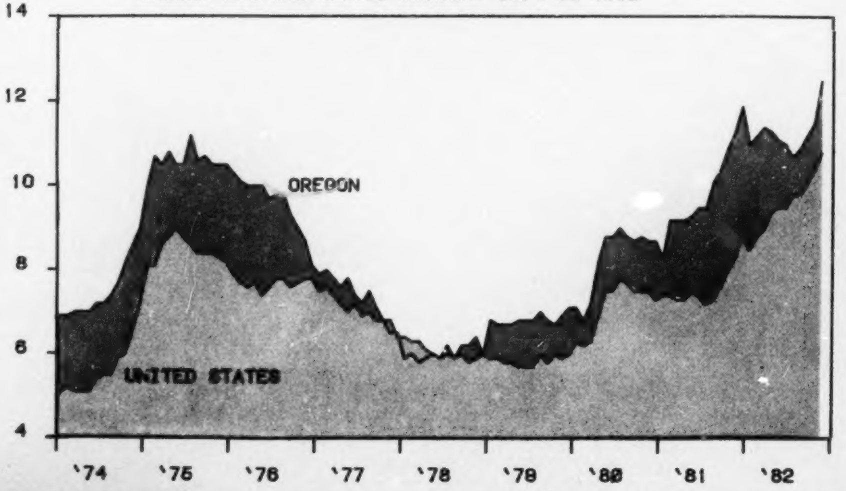
THE ECONOMY — YEAR IN REVIEW

Oregon's economic performance went from bad to worse between 1981 and 1982. .Not only would 150,000 unemployed Oregonians like to put this year behind them, but so also would scores of others who were working shortened workweeks or at jobs below their educational or skill level.

As in 1981 when new political leadership and economic policies were emerging to deal with the country's recession, there was a general air of optimism earlier this year that finally there was some light at the end of this long recessionary tunnel. The concensus forecast generally called for a national recovery to begin last spring or summer, fueled largely by an increase in consumer spending. Considering record income tax refunds, the second installment of President Reagan's tax cuts scheduled for July, and slowing inflation rates, this seemed a very likely scenario.

As the year progressed, it became more evident that the economic recovery was still hibernating. Not only did unemployment soar to record or near-record highs in both the U.S. and Oregon, but many other economic indicators also hit the skids. Nationally, for example, negative trends predominated for the federal budget (the deficit reached an all-time high), balance of trade (strong dollar hurts U.S. exports while encouraging foreign imports), plant and equipment spending, industrial production (U.S. factories operated at only 68% of capacity during the first 10

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON and the UNITED STATES: 1974 to 1982



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months of 1982 - the lowest level since these records began in 1948), business failures and bankruptcies, final sales and net farm income to name just a few.

Although signs of economic recovery have been few and far between, there have been some positive developments in 1982. High interest rates, which have been the nemesis of virtually everyone were quite stable during the first half of this year. By July these began to plummet due to a sharp reduction in private credit demands reflecting the sickly state of the economy. Equally significant was an apparent loosening of tight money policies by the Federal Reserve. The FED has been encouraging the drop in interest rates since July by lowering its discount rate in seven successive steps from 12% last summer to 8½% in mid-December. It has also allowed the money supply to temporarily grow somewhat faster, presumably to stimulate recovery.

Another bright spot in 1982 has been the dramatic improvement in inflation, both at the retail and wholesale levels. Wholesale prices will probably only rise about 4% this year and consumer price increases have settled back to a very modest 5 to 6% range. Perhaps more important is the widespread belief now that inflation in the next few years will remain in the 5 to 7% range.

There were other auspicious signs also. The Commerce Department's index of leading indicators has risen in six of the last seven months. And the stock market, which is often said to have predicted something like 10 of the last 7 economic recoveries, has staged a dramatic rally and soared to new record heights since late last summer.

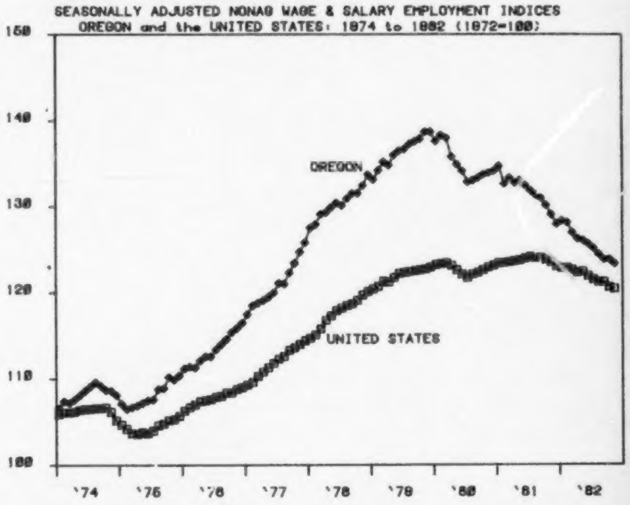
As encouraging as these trends are for an economic recovery that must be just around the corner in 1983, the fact remains that Oregon's economy staggered through its third straight year of recession in 1982. This is clearly shown by the accompanying graphs which chart the seasonally adjusted unemployment rate, wage and salary employment index, and the new Diffusion Index.

Oregon's seasonally adjusted jobless rate began the year at 11.0%, increased to 11.5% in March, then slowly receded to 10.7% in July. But since July the rate has been rising each month culminating in November's full point jump to an all-time high of 12.5%. With only one more month to go in 1982 it looks like unemployment will average about 11.5% this year - the highest since records began in 1947.

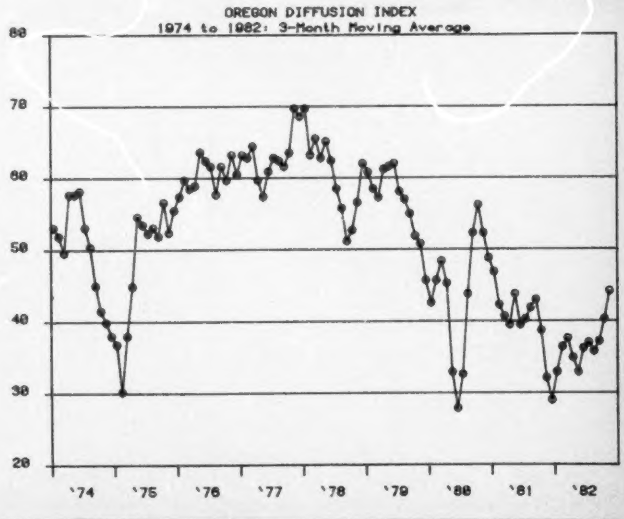
(x1000)	1982 (proj)	1981	1980	1979
Civ. Labor Force	1,310.0	1,330.0	1,295.0	1,217.0
Unemployment	150.2	131.0	107.0	83.0
Unemp. Rate (Ore.)	11.5	9.9	8.3	6.8
Unemp. Rate (U.S.)	9.7	7.6	7.1	5.8

In addition to the jobless rate, the number of unemployed is also expected to hit a record peak in 1982 averaging about 150,000 Oregonians. Based on this level of unemployment which is a monthly average, it is estimated that about one out of every four workers will have experienced at least one spell of unemployment during 1982.

The table above also points out a new phenomena. The labor force actually declined in 1982 by about 20,000 persons, reflecting net out-migration of Oregon residents to other states and also an increase in the number of "discouraged workers." Discouraged workers are those who have dropped out of the labor market because they believe no jobs are available. Even in the deep 1974-75 recession, Oregon's labor force continued to grow, though at a slower pace.



Oregon's seasonally adjusted wage and salary employment index paints an even grimmer picture of 1982. Since peaking at 138.7 in late 1979, this reliable coincident indicator has declined virtually nonstop except during the second half of 1980 when lower interest rates temporarily induced a rebound in housing activity. In January 1982 the employment index was 128.3. It has dropped every month except October and stood at 123.3 in November-the lowest level in more than five years!



Oregon's diffusion index which measures the percentage of some 43 industries showing an increase in seasonally adjusted employment each month, shows a recessionary level well under 50% all year but the trend has been up during most of these months. This index, a leading indicator, began the year at just under 30% and proceeded in fits and starts to reach 44.2% in November - the highest level in over a year.

Still another perspective on Oregon's 1982 economic performance is shown below by the change in employment in each major industry between this November and the same month one and three years ago.

	November	Change from Nov. 1981		Change from Nov. 1979	
	1982	Number	Percent	Number	Percent
W & S Empl.	964,200	-44,700	- 4.4	-120,500	-11.1
Manufacturing	186,500	-10,100	- 5.1	- 45,700	-19.7
Lumber & Wood	57,500	+ 800	+ 1.4	- 22,700	-28.3
Other Durables	73,500	- 9,800	-11.8	- 20,400	-21.7
Food & Kindred	25,400	- 300	- 1.2	- 600	- 2.3
Other Nondurables	30,100	- 800	- 2.6	- 2,000	- 6.2
Nonmanufacturing	777,700	-34,600	- 4.3	- 74,800	- 8.8
Construction	29,300	- 5,900	-16.8	- 26,100	-47.1
Transp., Comm. & Utilities	6,200	- 3,600	- 6.0	- 5,400	- 8.8
Trade	244,100	- 8,800	- 3.5	- 21,300	- 8.0
Finance, Ins., & Real Estate	63,000	- 3,100	- 4.7	- 7,500	-10.6
Services	183,300	- 6,500	- 3.4	- 6,700	- 3.5
Government	200,100	- 6,200	- 3.0	- 7,100	- 3.4
Agriculture	27,700	- 2,100	- 7.0	- 2,400	- 8.0

A look at the one year comparisons shows mostly minus signs. The wage and salary employment deficit is currently -44,700 with over 3/4ths of this loss occurring in nonmanufacturing. Considering the well publicized problems confronting the state's lumber and wood products industry, it may surprise some to see that this sector was the only one to show an increase in jobs (+800) in the past year.

Although the construction industry continued its free fall in 1982 owing to growing weakness in nonresidential building activity, the major job losses this year were centered in "Other Durable Goods" manufacturing. By and large the firms that comprise this category are engaged in the production of capital goods rather than consumer goods. Since plant and equipment spending has been in a tailspin during 1982 and a record amount of factory capacity is sitting idle, little if any improvement is likely in "Other Durable Goods" manufacturing in 1983. Even the formerly recession-resistent electronics and high tech firms have experienced significant job reductions this year as both domestic and foreign export markets have withered. The bulk of the layoffs in durable goods however have come in Primary (-2,700) and Fabricated (-2,000) Metals and Machinery (-2,400). Elsewhere in manufacturing, employment losses were relatively tiny and confined mostly to Paper (-600) and Food Products (-300).

Although Oregon's tourist industry had another good year in 1982, the rest of the pack in nonmanufacturing had more than enough problems. Even such recession-resistent sectors as Services, especially medical services, and government found it necessary to cut back their payrolls.

Things were not any better in agriculture this year. Farm employment was 2,100, or 7.0%, lower in November than a year ago. Annual average farm employment has actually been quite stable at around 35,000 - 35,500 in Oregon since 1976, but this year the average employment will drop to 33,000 - 33,500. Both crop and livestock prices have fallen in the past year while farm expenses continued to rise. As a result net farm income will decline in 1982 for the third straight year. Excess supplies of important farm products, most notably wheat and feed grains, will probably continue to depress prices in these markets well into 1983.

Turning back to the employment comparison to three years ago, suffice it to say that Oregon's economy has lost more than one tenth of its nonfarm payroll jobs since 1979. From the table above the reader can see that all major industries have contracted in varying amounts and degrees. Not surprisingly the construction and durable goods manufacturing industries, including lumber and wood products, have borne the greatest job losses. After such a steep three year decline, most economists do not expect Oregon to reach its pre-recession employment peak again until around 1986 or 1987?

Reading Oregon's and the nation's economic tea leaves is an especially hazardous undertaking during times such as these. Dramatic structural changes are occurring in the economy and the balance of political/economic power appears to be shifting in Washington as a new Congress convenes in January. In next month's Labor Trends we will gallantly peer into the 1983 economic fog and discuss the outlook.□

OREGON LOSES FEDERAL UNEMPLOYMENT INSURANCE PROGRAM

The extended benefits unemployment insurance program financed by both federal and state monies was terminated in mid-December as Oregon's insured unemployment rate fell below the level required by Federal law.

This same law mandates that once a state is off the program, it must stay off for 13 weeks. The approximately 12,500 Oregon unemployed workers who collected benefits from this program were switched to another federal program, the Federal Supplemental Compensation Program. Under this program, however, individuals may be entitled to a maximum of 10 weeks of benefits rather than the 13 weeks available in the previous program.

The impact of the loss of the extended benefits program will not be felt until early March. That is when these long term jobless workers will exhaust their benefits. Only a few may be eligible to collect further unemployment insurance benefits.

Oregon will most likely be back on the extended benefits program the last week in March. Benefit eligibility will be determined on an individual case basis at that time.□

RESIDENT OREGON LABOR FORCE

	Nov. 1982 1/	Oct. 1982 2/	Change	% Change	Nov. 1981 5/
Civilian Labor Force 3/	1,310,900	1,305,200	+5,700	+0.4	1,322,900
Unemployment	156,200	135,200	+21,000	+15.5	141,300
Percent of Labor Force	11.9	10.4	xxx	xxx	10.7
Seasonally Adjusted Percent	12.5	11.5	xxx	xxx	11.3
Total Employment 4/	1,154,700	1,170,000	-15,300	-1.3	1,181,600

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1981 and January 1982, data for 1982 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Nov. 1982 1/	Oct. 1982 2/	Nov. 1981	Change From Oct. 1982	Change From Nov. 1981
TOTAL 3/	964,200	973,400	1,008,900	-9,200	-44,700
Wage & Salary Employment Index 4/	123.3	123.8	129.0	xxx	xxx
Diffusion Index 5/	44.2	40.3	32.1	xxx	xxx
Total Manufacturing	186,500	193,300	196,600	-6,800	-10,100
Durable Goods	131,000	133,400	140,000	-2,400	- 9,000
Lumber & Wood Products	57,500	58,100	56,700	- 600	800
Logging & Sawmills	28,700	29,700	29,500	-1,000	- 800
Veneer & Plywood	17,800	17,800	16,400	0	1,400
Millwork & Structural Wood	6,100	5,700	5,600	400	500
Mobile Homes	1,600	1,600	1,700	0	- 100
Other Wood Products	3,300	3,300	3,500	0	- 200
Furniture & Fixtures	2,300	2,200	2,400	100	- 100
Stone, Clay, Glass, & Concrete	3,600	3,800	3,800	- 200	- 200
Primary Metals	6,900	7,000	9,600	- 100	- 2,700
Blast Furnaces, Iron & Steel	3,900	3,900	5,400	0	- 1,500
Nonferrous Metals	3,000	3,100	4,200	- 100	- 1,200
Fabricated Metals	9,100	9,400	11,100	- 300	- 2,000
Fabricated Structural Metals	3,700	3,900	4,400	- 200	- 700
Other Fabricated Metals	5,400	5,500	6,700	- 100	- 1,300
Machinery	15,500	15,800	17,900	- 300	- 2,400
Electrical Equipment & Supplies	9,700	10,200	9,600	- 500	100
Transportation Equipment	7,500	8,100	8,800	- 600	- 1,300
Instruments & Related Products	16,300	16,500	17,300	- 200	- 1,000
Miscellaneous Manufacturing	2,600	2,300	2,800	300	- 200
Nondurable Goods	55,500	59,900	56,600	-4,400	- 1,100
Food & Kindred Products	25,400	29,400	25,700	-4,000	- 300
Canning & Preserving	14,500	18,700	14,600	-4,200	- 100
Other Food Products	10,900	10,700	11,100	200	- 200
Textile Mill Products	1,900	1,900	1,900	0	0
Apparel	2,800	2,900	2,800	- 100	0
Paper & Allied Products	9,700	9,800	10,300	- 100	- 600
Printing & Publishing	10,500	10,500	10,400	0	100
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	400	500	500	- 100	- 100
Rubber & Plastic Products	2,300	2,400	2,500	- 100	- 200
Leather Products	400	400	300	0	100

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

				Change From	
INDUSTRY	Nov. 1982	Oct. 1982	Nov. 1981	Oct. 1982	Nov. 1981
(cont.)					
Total Nonmanufacturing	777,700	780,100	812,300	-2,400	-34,600
Mining & Quarrying	1,700	2,300	2,200	- 600	- 500
Construction	29,300	30,500	35,200	-1,200	- 5,900
Transportation, Communications, & Utilities	56,200	56,600	59,800	- 400	- 3,600
Transportation	32,000	32,200	34,400	- 200	- 2,400
Railroad	5,800	5,900	6,600	- 100	- 800
Trucking & Warehousing	15,900	16,000	17,400	- 100	- 1,500
Other Transportation	10,300	10,300	10,400	0	- 100
Communications	15,200	15,400	16,300	- 200	- 1,100
Utilities	9,000	9,000	9,100	0	- 100
Trade	244,100	244,200	252,900	- 100	- 8,800
Wholesale Trade	61,100	61,600	67,200	- 500	- 6,100
Durable Goods	34,900	35,200	39,400	- 300	- 4,500
Nondurable Goods	26,200	26,400	27,800	- 200	- 1,600
Retail Trade	183,000	182,600	185,700	400	- 2,700
General Merchandise	25,000	24,200	25,000	800	0
Food Stores	26,100	25,900	27,200	200	- 1,100
Auto Dealers & Service Stations	21,600	22,000	22,200	- 400	- 600
Other Retail Trade	110,300	110,500	111,300	- 200	- 1,000
Finance, Insurance, & Real Estate	63,000	63,900	66,100	- 900	- 3,100
Banking & Credit Agencies	23,200	23,300	25,100	- 100	- 1,900
Other Finance, Insurance, & Real Estate	39,800	40,600	41,000	- 800	- 1,200
Services	183,300	185,500	189,800	-2,200	- 6,500
Hotels & Personal Services	21,700	22,400	24,000	- 700	- 2,300
Health Services	63,100	63,400	64,400	- 300	- 1,300
Other Services	98,500	99,700	101,400	-1,200	- 2,900
Government	200,100	197,100	206,300	3,000	- 6,200
Federal Government	30,200	29,800	30,400	400	- 200
State Government	52,100	52,200	52,600	- 100	- 500
Education	22,900	22,600	23,400	300	- 500
Other State	29,200	29,600	29,200	- 400	0
Local Government	117,800	115,100	123,300	2,700	- 5,500
Education	74,200	72,000	77,800	2,200	- 3,600
Other Local	43,600	43,100	45,500	500	- 1,900
Labor-Management Disputes	100	100	100	0	0

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

4/ The employment index is a measure of change from the base year (1972 = 100) of seasonally adjusted employment.

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS AND EARNINGS — ECONOMIC PROBLEMS REFLECTED

Oregon economic problems continued to be reflected in October hours and earnings figures. Manufacturing showed declines in both weekly hours and average hourly pay between September and October. The durable goods sector of manufacturing followed the overall trend by losing 1.2 hours of work and five cents in earnings. The nondurable goods sector of manufacturing lost an equal number of hours, but held steady at nine dollars per hour between September and October. Trade showed the same downward trend as manufacturing, losing .3 hour per week and thirteen cents per hour. This is typical for trade as retail merchants hire more lower paid part time help in preparation for the coming holidays.

Construction on the other hand showed a 1.1 hour per week increase in average weekly hours, but lost eight cents per hour in wages. Unfortunately this increase in hours is due to a decrease in the number of people working, i.e. fewer people working longer hours. The expansion in hours worked in construction was a welcome sign, but 34.6 hours per week is low for this industry at this time of year. To give some idea of how low this is; the only comparable figure was 34.0 in October of 1962.

Communication and utilities, like construction, only partially followed the trend set by manufacturing. Communications and utilities decreased its weekly hours (-.4), but increased its average hourly earnings by eleven cents. The decline in hours is fairly typical for this industry at this time of year if there aren't any storms; this reflects reduction in field activities. At least in the case of one company a voluntary reduction in hours took place. The wage increase is due at least in part to cost of living adjustments which became effective at this time.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct.2/ 1982	Sept.3/ 1982	Oct. 1981	Oct.2/ 1982	Sept.3/ 1982	Oct. 1981	Oct.2/ 1982	Sept.3/ 1982	Oct. 1981
TOTAL MANUFACTURING 4/	$377.13	$390.72	$360.47	37.6	38.8	37.2	$10.03	$10.07	$9.69
Durable Goods	398.24	412.78	374.00	38.0	39.2	37.4	10.48	10.53	10.00
Lumber & Wood Products	400.60	428.58	363.94	37.3	39.5	35.3	10.74	10.85	10.31
Logging & Sawmills	440.07	462.04	396.03	38.3	39.9	36.3	11.49	11.58	10.91
Veneer & Plywood	385.19	420.72	349.86	36.1	39.1	34.0	10.67	10.76	10.29
Millwork & Struct Wood	282.41	323.20	280.10	36.3	38.8	34.2	7.78	8.33	8.19
Mobile Homes	283.27	299.12	251.52	34.8	38.3	32.0	8.14	7.81	7.86
Other Wood Products	379.24	387.16	349.09	37.4	38.6	36.1	10.14	10.03	9.67
Furniture & Fixtures	267.62	258.14	237.80	35.4	34.1	32.8	7.56	7.57	7.25
Primary Metals	485.59	478.63	477.20	38.6	39.2	40.0	12.58	12.21	11.93
Fabricated Metals	383.30	373.61	338.76	38.6	37.7	36.0	9.93	9.91	9.41
Machinery	403.48	399.62	380.24	38.1	37.7	38.1	10.59	10.60	9.98
Nondurable Goods	329.40	340.20	323.69	36.6	37.8	36.7	9.00	9.00	8.82
Food & Kindred Prod	269.57	287.64	284.33	35.8	37.6	35.9	7.53	7.65	7.92
Canning & Preserving	217.12	245.75	240.47	34.3	36.9	34.7	6.33	6.66	6.93
Other Food Products	394.97	399.74	373.63	39.3	39.5	38.4	10.05	10.12	9.73
Textile Mill Products	200.34	196.84	195.33	37.1	37.0	38.3	5.40	5.32	5.10
Apparel	184.73	186.18	179.05	34.4	34.8	34.7	5.37	5.35	5.16
Paper & Allied Products	521.24	529.51	483.48	40.5	41.4	41.5	12.87	12.79	11.65
Printing &									
Construction 4/									
Communications & Utilities 5/	438.08	438.31	407.15	38.7	39.1	39.3	11.32	11.21	10.36
Trade 5/	279.62	286.55	272.21	34.1	34.4	34.5	8.20	8.33	7.89
Wholesale Trade	368.25	379.38	355.50	37.5	37.9	37.5	9.82	10.01	9.48
Retail Trade	231.20	234.90	226.02	32.2	32.4	32.9	7.18	7.25	6.87
Banking & Insurance	241.31	246.96	228.55						
State & Local Government	306.39	319.17	290.11						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

There were areas within durable goods manufacturing which ran contrary to the downward trend in average hours. Furniture and fixtures moved up slightly to 35.4 hours per week. This was a very sharp rise from earlier months of this year when average weekly hours were running in the twenties. The increase in weekly hours was due to a need to rebuild inventories. If there is no increase in demand for furniture we can expect hours in this industry to decline again as inventories are rebuilt. Fabricated metals gained .9 of an hour between September and October. At 38.6 hours per week this industry is at its normal level for this time of year. The October 1981 level (36.0) was unusually low because several firms in this industry had to sharply curtail their activities when it became apparent that they had underestimated the depth and duration of this recession. Machinery manufacturing increased its hours per week to 38.1 between September and October which brought it up to last year's level. This level of weekly hours is fairly typical for this industry at this time of year.

Average hourly earnings followed the contraction in weekly hours with earnings tending to fall between September and October. There were exceptions to this trend, the most noticable being the 39 cent per hour increase in primary metals. This increase is due to a large drop in production workers which typically leaves the higher paid and more senior workers on the job and at least a little to cost of living adjustments which become effective at this time. A year to year comparison shows that wages are above what they were a year ago. The exception to this is canning and preserving, which showed a sixty cent per hour decrease. This is due to the wage reductions that were negotiated in this industry earlier this year.

Although it could be argued that a slight decrease in hours and earnings can be expected at this time of year as highly seasonal industries curtail their activities, such is not the case. Construction, a very seasonal industry, increased its hours. The decrease we see here is reminiscent of the magnitude and timing of the decreases seen in the '74-'75 recession.□

WHERE ARE WE HEADED?

The downturn in Oregon's economy deepened in November as unemployment shot up and employment continued to fall. Three times as many workers than expected joined the ranks of the unemployed in November causing a jump of one full percentage point in the unemployment rate. Seasonally adjusted unemployment rose to 12.5%. The national economic picture does not look much better. Should the recession continue into December, it would become the longest and deepest business slump in the post-World War II period. The previous record, the 1974-75 recession, lasted 16 months.

Disappointment also prevailed in that the nonagricultural wage and salary employment index reversed last month's modest gain by dropping .5 for November to 123.3. The national index also posted a decline of .2 following a steady downward trend since the summer of 1981. Following indicators which merely reflect current status of the economy can be a dismal science. Fortunately, there are analytical tools which are also useful for providing an insight into a not so gloomy future. One of these, the Diffusion Index, continued its upward trend which started in May. The latest available Commerce Department's index of leading indicators also rose; the sixth increase in the last seven months, adding support to this note of optimism. Below is a more detailed look at the industry employment changes.

MANUFACTURING

Unfortunately, any real signs of economic strength remain elusive. With the economy as weak as it is, many of Oregon's manufacturing plants are operating at or near their lowest capacity since World War II. Some timber experts are saying that conditions are as bad as any experienced. Yet November did offer some optimism as seasonally adjusted Lumber and Wood Products employment climbed 800. A sustained level of activity by a large number of Logging and Sawmill firms cushioned the normal seasonal downturn. Veneer and Plywood pulled off somewhat of a surprise with employment exceeding year ago levels for the second month in a row, this time by 1,400. One factor contributing to the upswing in seasonally adjusted employment was the lack of normal seasonal employment expansion this past summer.

Combined employment losses for Other Durables (Durables excluding Lumber and Wood) outstripped expected levels, falling 1,800 over the month which equates to a seasonally adjusted decline of 1,500. November's level is 9,800 below last year. By comparison, Lumber and Wood is 800 above year ago levels. While all Durable Goods will continue to be buffeted during the coming months, Other Durables will likely take on an increasing share of the burden until excess plant capacity shrinks enough to stimulate demand for plants and equipment. Retrenching continues for most Metals producers. Rising energy costs to northwest aluminum producers has served to shrink their competitive edge. Employment has fallen a full 29% (-1,200) over the past year. Concentrated efforts are being made to maintain and enhance profitable areas of aluminum processing, yet until auto and aerospace production turns around, little relief is expected. Aluminum producers are not the only sufferers. Employment losses for combined Primary and Fabricated Metals total a whopping 4,700 over the past year.

High tech industries, once considered to be insulated from recessionary forces, are also taking their lumps. November employment for Electrical Equipment and Supplies fell 500 over the month, while Instruments and Related Products dropped 200 since October and is 1,000 below year ago levels. Soft product markets for industrial equipment components along with a sharp drop in demand for sophisticated computer equipment used by petroleum related businesses has prompted a rethinking of previous optimism.

NONMANUFACTURING

There is evidence that construction activity is picking up again as interest rates fall. While November employment fell 1,200, seasonally adjusted there was no change in construction employment. Greatest unadjusted losses came in Heavy Construction (-1,300). Residential Construction was the one bright spot, posting a 500 increase over the month. The number of building permits for housing starts of single family dwellings reversed seasonal trends in October, contributing to the optimism for this sector. Also seen was a noticeable increase in mortgage activity by several financial institutions. Care must be taken, however, before painting too rosy of a picture. Much of the increased mortgage activity stems from refinancing activity or will be used in reducing the tremendous backlog of unsold housing already on the market. Added to this is the fact that total Oregon construction contract activity is running over 40% below 1981's dismal record.

Anemic retail trade hiring for the holiday season followed in the wake of severe hardships being experienced in manufacturing. Reluctance on the part of retailers to hire their usual level of temporary staff for the holidays was apparent as seasonally adjusted employment fell 1,700. It appears that most employers are taking a "wait and see" attitude. A secondary impact from all this is a reduction in Business Services employment. Cost cutting efforts have led many retailers to reduce hiring for such things as security and advertising.

IMPROVEMENT AT HAND

While indicators such as the unemployment statistics for November are certainly discouraging, there are some brighter spots in the news which bode well for 1983 - a resurgence in the stock market, declining interest rates, and slower price increases. The consensus is that unemployment will remain uncomfortably high, though indications are that improvement is close at hand. Seasonally adjusted unemployment should peak either in November or December and start a slow downward trend with the first of the new year.□

NEW LABOR SURPLUS AREAS DESIGNATED

The Balance of Multnomah County (Multnomah less the City of Portland) and Clark County have been classified as labor surplus areas. The classification, based on exceptional circumstances, took effect on December 1, 1982.

Employers located in eligible labor surplus areas and who meet other criteria, are entitled to preference in bidding on Federal procurement contracts.

The purpose of the labor surplus area procurement preference is to help guide a portion of the government's procurement dollars into those areas where people are in most severe economic need, e.g., areas with the highest unemployment.

Under the U.S. Department of Labor's classification procedures, an area is classified as a labor surplus area if the unemployment rate is at least 1.20 times the national unemployment rate during the previous two calendar years.

The procedures also provide for the classification on the basis of exceptional circumstances. Under these procedures, if an area does not meet the criteria necessary for classification as a labor surplus area, the criteria can be waived and the area classified when there has been a sudden rise in the unemployment in the area (other than seasonal or short term) that is not reflected in the area's data for the reference period. Such situations can occur as a result of natural disasters, plant closings of major employers, etc. which have a substantial impact on the area's employment and unemployment.□

OREGON LABOR TRENDS

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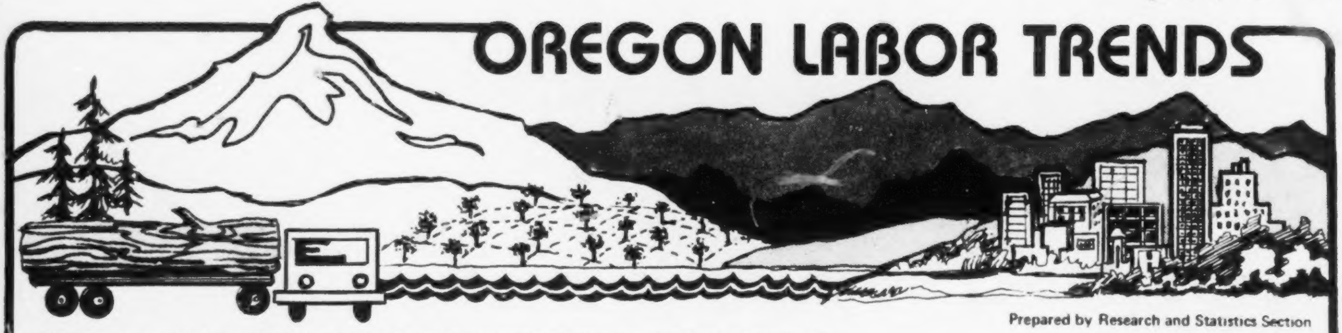


OREGON LABOR TRENDS

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

Prepared by Research and Statistics Section

JANUARY 1983

DECEMBER INDICATORS

UNEMPLOYMENT RATE

	S.A.	Actual
Oregon		
Dec. '82	12.0	12.2
Nov. '82	12.5	11.9
U.S.		
Dec. '82	10.8	10.5
Nov. '82	10.7	10.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1972=100
Dec. 1982:	122.9
Nov. 1982:	123.3
Dec. 1981:	127.9
Dec. 1980:	134.1
Dec. 1979:	138.7

DIFFUSION INDEX

Oregon	
Dec. 1982:	43.4
Nov. 1982:	44.6
Oct. 1982:	40.3
Sep. 1982:	37.2

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Nov. 1982:	38.6
Oct. 1982:	37.6
Nov. 1981:	36.9

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Nov. 1982	285.6
Year Change	2.5%
U.S.	
Dec. 1982	292.4
Year Change	3.9%

OUTLOOK – 1983

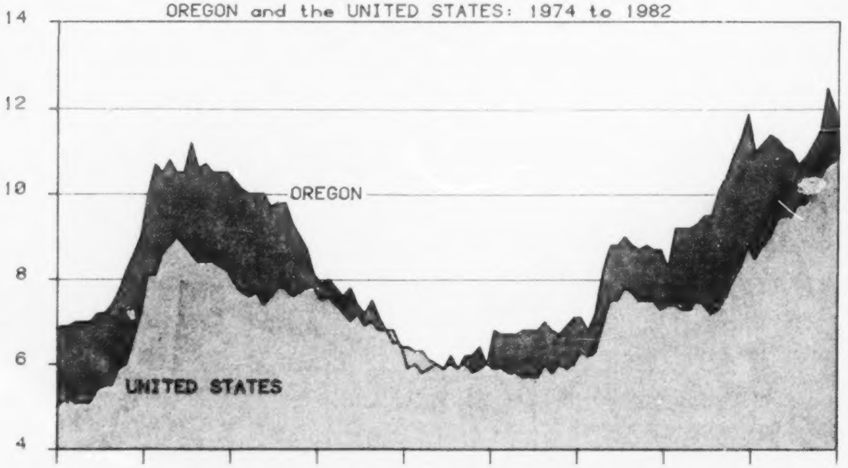
According to most economic analysts the recession which has gripped the nation for 1½ years and Oregon for approximately twice that long, will finally give way to recovery in 1983. That's the good news. The bad news is that continued high unemployment, consumer caution, record high federal budget deficits, and a host of other economic problems is expected to cause the pace of recovery to be unusually slow. Perhaps the best that can be said about 1983 is that it promises to be a transition year in which both the U.S. and Oregon economies finally stop declining and begin to expand once again.

The concern now is not so much whether a turnaround is near, but rather that it may be too weak to generate significant improvement both here and abroad. Since the U.S. economy has such a pervasive influence on what happens in Oregon, the national economic outlook merits a close look.

The following highlights of the national forecast reflect the latest views of Data Resources Incorporated (DRI), a national economic consulting firm. DRI's national forecasts are used by the State of Oregon to provide the national economic assumptions for Oregon's econometric model. This is the model which projects state economic conditions and tax revenues.

- Housing starts will stage a significant recovery rising from just under 1.1 million units in 1982 to nearly 1.5 million units in 1983. The pre-recession high was 2.0 million starts in both 1977 and 1978. This is one of the

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON and the UNITED STATES: 1974 to 1982



most optimistic housing projections yet and comes on the heels of November's spurt in housing starts to a 1.4 million annual rate. It appears that housing activity may finally be responding to the drop in interest rates that has been occurring since last summer. The rebound in U.S. housing construction represents one of the biggest pluses in Oregon's outlook. Some pick-up in our lumber and wood products employment can be expected soon but the major jobs impact is not expected until 1984 and 1985. Even with a solid recovery in housing however, employment in Lumber and Wood is not expected to reach Oregon's pre-recession peak again due to permanent plant closures and increased mechanization.

- Consumer spending, which like housing construction typically performs a leading role in any economic expansion, will improve only modestly in 1983 primarily due to higher automobile sales. Retail sales for other than automobiles are expected to remain sluggish due to a lack of income growth and weak consumer confidence, although the July federal tax cut will help.

  In Oregon the overall impact of a pick-up in spending on consumer durable goods will be less significant because our manufacturing base is more oriented toward capital goods. A boost in overall retail sales in Oregon this spring and summer does seem possible however, when one considers the record volume of federal income tax refunds that Oregon taxpayers may receive by this summer. Rough estimates by the IRS indicate that about 70% of Oregon's one million taxpayers could share nearly $700 million dollars in refunds in the months ahead. This would mean an average federal refund of close to $850 dollars. The Oregon Department of Revenue did not hazard a guess for 1983, but did indicate that about 70% of taxpayers received state refunds averaging $240 through June of 1982 totaling $191 million.

- Defense spending will increase sharply nationwide in 1983 and beyond. The initial stimulative effects of this policy will largely bypass Oregon since this state has virtually no military installations and few defense contractors.

- Inventory levels are still too high in various U.S. industries despite production cutbacks throughout 1982. This coupled with weak sales volumes is expected to cause further production curtailments in the early part of 1983 before turning around in the spring. Capacity utilization rates in manufacturing should then begin to rise slowly from the current depressed level of around 67%. It should be noted, however, that the inventories of lumber and wood products are at low levels - so low that an increase in orders for wood products will translate quickly into higher production.

- Capital spending for new plants and equipment represents one of the weakest aspects of the national forecast, with further sharp declines expected. In Oregon, these capital goods industries represent a significant portion of the industrial base. They are typically one of the last sectors of the economy to fall into recession as well as one of the last to improve. Some further employment cutbacks are to be expected in Oregon's metals, machinery and even electronics industries, at least in the first half of 1983.

- The worldwide recession coupled with the U.S. dollar's high exchange value and the debt problems of many third world nations is expected to cause U.S. exports to decline and imports to rise, thus widening the U.S. trade deficit in 1983. Economic sectors in Oregon that rely heavily on export markets (e.g. agriculture, electronics, etc.) will be vulnerable.

- Inflation as measured by the Consumer Price Index (all urban consumers) dropped sharply in 1982 to about 6.2%, and should continue to fall in 1983. Factors responsible include ample food supplies, flat or lower prices for OPEC oil, the weak economy, moderating wage and capital costs and an improving productivity trend. Lower inflationary expectations in turn should help to ease interest rates even further.

- The federal budget as viewed by DRI will provide too little stimulus to the private economy in the short run. However the extremely high budget deficits ($187 billion) expected in 1983 and beyond may destabilize financial markets and keep interest rates relatively high over the longer run.

- The Federal Reserve Board has temporarily focused monetary policy on prodding the economy with faster money supply growth and lower interest rates rather than on keeping a tight rein on inflation. Since real interest rates after discounting the drop in inflation are still quite high, some further easing by the FED is likely.

- State and local governments are feeling the squeeze from tight budgets and cuts in federal aid. Many will be forced to respond with spending reductions.

  This was the case in Oregon during 1982, a year in which net out-migration of some 25,000 residents caused the state's total population to decline. While net migration from Oregon should slow or even cease in 1983 as recovery begins, employment levels in government as well as most other nonmanufacturing industry sectors will probably average less than in 1982.

  Two exceptions to this trend are likely to be retail trade, which will benefit from a pick-up in consumer spending, and health services. Tourism in Oregon may also fare even better in 1983 than it did last year due to large tax refunds this spring, another 10% federal tax reduction in July, and prospects of further cuts in the price of gasoline, even with the 5¢ gas tax increase in April.

One of the most perplexing aspects of the 1983 economic outlook for both the nation and Oregon is that the recovery is likely to be too slow to bring about much if any improvement in unemployment. In fact unemployment after seasonal adjustment could well climb even higher in the first several months of 1983.

Improvement in unemployment typically lags in the early stages of economic recovery for a couple of reasons. First, employers usually respond to an increase in business by working current employes longer hours rather than hiring new workers or calling back laid off workers. Second, as a recovery picks up steam and jobs begin to open up, the labor force begins to grow faster as former "discouraged workers" re-enter the labor force in search of work. The volume of "discouraged workers" nationwide is currently at a record level of about 1.8 million people, representing a very large pool of potential "unemployed" if they begin to look for work. Nationally, DRI expects the unemployment rate to jump from 9.7% in 1982 to an average of 10.7% in 1983. The highest rates are expected in the first quarter of 1983 (11.1%) followed by gradual declines to 10.3% in the fourth quarter with further improvement into 1984 and 1985.

Oregon's unemployment rate is also expected to rise in 1983, but by a smaller amount - to around 12% from an average of 11.5% in 1982.

Oregon agriculture has taken its lumps in recent years with net farm income down in 1982 for the third year in a row. It is too early to say whether farm sales or net farm income will rise or fall in 1983. On the plus side, prices paid by Oregon farmers for farm supplies are now rising at a much more tolerable rate of 3-5%. But crop surpluses, most notably of wheat - Oregon's number one crop - are a price depressant on the market. Fortunately for Oregon, wide swings in farm sales and net farm income are generally minimized by the agricultural diversity we have in our state.

In summary, 1983 will be another difficult year economically for Oregon and the U.S. It will serve as a transition year in which the prolonged period of deep recession gives way to a slow and fragile economic recovery.

Unemployment will be the number one problem facing policy makers as the number of job seekers continues to rise early in 1983. Although the employment situation should begin to show improvement beyond normal seasonal gains by this spring or summer the annual average number of unemployed and the jobless rate are expected to move higher both nationwide and in Oregon.

The primary question now is not whether a recovery is about to begin. In some sectors, such as housing, improvement has already started. But what worries many economists more than the recovery timetable, is the prospect of an unusually weak national recovery that may not be sufficient to lead other nations' economies out of the worldwide slump.

A major problem which could short circuit the recovery is the prospect of record federal budget deficits over the next few years. The 1983 deficit which DRI projects will approach $187 billion, is not expected to prevent a turnaround from occurring this spring since private credit demands are currently so low. Federal deficits of this magnitude in 1984 and 1985 however, would create intense pressures on the financial system as private credit demands rise. Depending on how the Federal Reserve Board responds, the result of this competition for funds would either be a return to higher interest rates or acceptance of very inflationary rates of money supply growth.

Other problems that may affect the strength and longevity of the recovery are the mounting debts of many third world nations and the danger of rising protectionism from foreign imports. The latter could lead to more trade barriers between countries, less international trade, and possibly a deeper worldwide recession.

Some of these problems may seem very remote insofar as Oregon's economic outlook for 1983 and beyond is concerned. But, the fact is that Oregon is probably more dependent now on national and international economic conditions than ever before.□

HOURS AND EARNINGS - "COMIN' 'ROUND THE CORNER"?

November hours and earnings offers what appears to be a break in the economic storm clouds which have buffetted Oregon the past two years. While it is too early to celebrate, if indeed a celebration is called for, cautious optimism at least may be in order. Reason for the optimism stems from a reported increase in the workweek average for production workers in Oregon. Average weekly hours furnish an insight into the demand for an industry's goods and services. November's manufacturing figures took a significant jump from October's level, climbing to 38.6 from 37.6. The increase was so significant as to rank second only to the increase in 1962, which was prompted by cleanup following the Columbus Day storm.

While weekly hours were providing some relief, production worker employment also turned in a favorable performance. A drop in production worker employment for November is a normal occurrence and this November was no exception. The difference was that the overall decline was less than expected. During the last 10 years the average decline has been 3.5% of the manufacturing total; whereas this year the drop was only 3.1%.

MANUFACTURING

All areas of Lumber & Wood Products reported strong gains in weekly hours, accounting for a 1.8 overall jump. A modest increase in production worker employment appears also to have created a slight ($.05) downward push on average hourly earnings. As expected, logging operations slowed for the winter months. Sawmill activity failed to show signs of hibernation by pushing weekly hours for combined Logging & Sawmill activity up by a full hour. Veneer & Plywood pulled off the biggest jump in weekly hours (3.1) while adding over 900 production workers. Resumption of production activities by some firms as well as general improvement throughout Veneer & Plywood are in part due to recent improvement in the market price of plywood. In other areas of Lumber & Wood Products, plans of extended holiday closures for Thanksgiving prompted several firms to step up production activities slightly.

RESIDENT OREGON LABOR FORCE

	1/ Dec. 1982	2/ Nov. 1982	Change	% Change	5/ Dec. 1981
Civilian Labor Force 3/	1,316,300	1,310,600	+5,700	+0.4%	1,322,200
Unemployment	161,200	156,300	4,900	+3.1%	159,200
Percent of Labor Force	12.2	11.9	xxx	xxx	12.0
Seasonally Adjusted Percent	12.0	12.5	xxx	xxx	11.9
Total Employment 4/	1,155,100	1,154,300	+800	+0.1%	1,163,000

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1981 and January 1982, data for 1982 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

				Change From	
INDUSTRY	1/ Dec. 1982	2/ Nov. 1982	Dec. 1981	Nov. 1982	Dec. 1981
TOTAL 3/	956,500	963,700	995,200	-7,200	-38,700
Wage & Salary Employment Index 4/	122.9	123.3	127.9	xxx	xxx
Diffusion Index 5/	43.4	44.6	29.0	xxx	xxx
Total Manufacturing	183,300	187,700	190,900	-4,400	- 7,600
Durable Goods	130,200	131,300	137,500	-1,100	- 7,300
Lumber & Wood Products	57,300	58,200	54,800	- 900	2,500
Logging & Sawmills	28,200	29,200	27,900	-1,000	300
Veneer & Plywood	18,300	18,000	16,500	300	1,800
Millwork & Structural Wood	6,100	6,100	5,400	0	700
Mobile Homes	1,500	1,600	1,600	- 100	- 100
Other Wood Products	3,200	3,300	3,400	- 100	- 200
Furniture & Fixtures	2,100	2,200	2,300	- 100	- 200
Stone, Clay, Glass, & Concrete	3,300	3,500	3,700	- 200	- 400
Primary Metals	6,900	6,900	9,400	0	- 2,500
Blast Furnaces, Iron & Steel	3,900	3,900	5,300	0	- 1,400
Nonferrous Metals	3,000	3,000	4,100	0	- 1,100
Fabricated Metals	9,300	9,200	10,900	100	- 1,600
Fabricated Structural Metals	3,900	3,800	4,300	100	- 400
Other Fabricated Metals	5,400	5,400	6,600	0	- 1,200
Machinery	15,000	15,500	17,700	- 500	- 2,700
Electrical Equipment & Supplies	9,700	9,700	10,300	0	- 600
Transportation Equipment	8,200	7,500	8,200	700	0
Instruments & Related Products	16,100	16,200	17,300	- 100	- 1,200
Miscellaneous Manufacturing	2,300	2,400	2,900	- 100	- 600
Nondurable Goods	53,100	56,400	53,400	-3,300	- 300
Food & Kindred Products	22,900	26,300	22,600	-3,400	300
Canning & Preserving	12,500	15,400	11,800	-2,900	700
Other Food Products	10,400	10,900	10,800	- 500	- 400
Textile Mill Products	1,900	1,900	1,900	0	0
Apparel	2,900	2,800	2,900	100	0
Paper & Allied Products	9,700	9,900	10,300	- 200	- 600
Printing & Publishing	10,300	10,400	10,300	- 100	0
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	400	400	500	0	- 100
Rubber & Plastic Products	2,500	2,400	2,400	100	100
Leather Products	400	400	300	0	100

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Dec. 1982	Nov. 1982	Dec. 1981	Change From Nov. 1982	Dec. 1981
(cont.)					
Total Nonmanufacturing	773,200	776,000	804,300	-2,800	-31,100
Mining & Quarrying	1,400	1,800	1,900	- 400	- 500
Construction	26,600	28,900	33,200	-2,300	- 6,600
Transportation, Communications, & Utilities	56,400	56,300	59,200	100	- 2,800
Transportation	32,300	32,100	33,800	200	- 1,500
Railroad	5,700	5,800	6,500	- 100	- 800
Trucking & Warehousing	16,300	15,900	16,900	400	- 600
Other Transportation	10,300	10,400	10,400	- 100	- 100
Communications	15,100	15,200	16,300	- 100	- 1,200
Utilities	9,000	9,000	9,100	0	- 100
Trade	246,800	245,200	252,200	1,600	- 5,400
Wholesale Trade	60,200	60,900	66,000	- 700	- 5,800
Durable Goods	34,600	35,000	38,800	- 400	- 4,200
Nondurable Goods	25,600	25,900	27,200	- 300	- 1,600
Retail Trade	186,600	184,300	186,200	2,300	400
General Merchandise	27,400	25,700	26,700	1,700	700
Food Stores	26,900	26,200	26,700	700	200
Auto Dealers & Service Stations	21,700	22,000	21,800	- 300	- 100
Other Retail Trade	110,600	110,400	111,000	200	- 400
Finance, Insurance, & Real Estate	63,500	63,600	65,900	- 100	- 2,400
Banking & Credit Agencies	23,300	23,300	25,100	0	- 1,800
Other Finance, Insurance, & Real Estate	40,200	40,300	40,800	- 100	- 600
Services	182,800	183,000	189,400	- 200	- 6,600
Hotels & Personal Services	21,600	21,600	23,800	0	- 2,200
Health Services	63,000	63,300	64,600	- 300	- 1,600
Other Services	98,200	98,100	101,000	100	- 2,800
Government	195,700	197,800	202,500	-2,100	- 6,800
Federal Government	29,500	29,300	30,700	200	- 1,200
State Government	50,800	52,100	51,000	-1,300	- 200
Education	22,200	22,800	22,700	- 600	- 500
Other State	28,600	29,300	28,300	- 700	300
Local Government	115,400	116,400	120,800	-1,000	- 5,400
Education	72,300	73,300	76,600	-1,000	- 4,300
Other Local	43,100	43,100	44,200	0	- 1,100
Labor-Management Disputes	0	100	100	- 100	- 100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

4/ The employment index is a measure of change from the base year (1972 = 100) of seasonally adjusted employment.

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Softwood inventories have fallen to an incredibly low level. While recent declines have been attributable to a somewhat stronger demand during early 4th quarter, the prolonged downturn has left many firms with little margin for error to increase production too rapidly thus driving prices back down. As a result, caution will be exercised whenever and wherever possible.

In Other Durables only Furniture & Fixtures reported any improvement in production worker employment for November. Increasing weekly hours proved to be more a function of fewer people working more hours. An unfortunate exception to this was Machinery, which lost ground in both employment and weekly hours. A 4.1 jump in weekly hours for Primary Metals does not hold an abundance of good news. Payment of earned vacation hours to workers being laid off by two firms as well as payment for holiday hours worked by another prompted the increase in hours for November. Factories now operating at extremely low levels of capacity due to a weak economy continue to retrench production activities.

Hourly earnings for Nondurable Goods showed a $.46 jump in November. However, a large share of the increase resulted from layoffs of lower paid seasonal workers in Food & Kindred Products. Another factor was a $.15 rise in Printing and Publishing and $.22 in Textile Mill Products. The improvement in Printing & Publishing stems from a large jump in overtime hours by three firms.

NONMANUFACTURING

Economic news is often not uniformly good or bad. Such was the case in Construction. Seasonally adjusted employment for November remained unchanged, while average weekly hours fell 1.7. However, November's weekly hours reflected a modest gain over the year ago level. Residential construction activity provided much of the strength for this improvement. Weekly hours for residential construction in November actually climbed 2.4 while all other construction activity slipped still lower. Communications & Utilities posted a .6 increase in weekly hours as the start of the winter storm season translated into more hours of maintenance. Trade, both retail and wholesale, was affected by a wait-and-see position taken by most employers in preparation for the holiday season. As a result, weekly hours were well below last year's level (.9), following a .8 drop from October's level. Improvement in Trade may come in the form of increased hours at the expense of normal seasonal employment increases.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Nov.2/ 1982	Oct.3/ 1982	Nov. 1981	Nov.2/ 1982	Oct.3/ 1982	Nov. 1981	Nov.2/ 1982	Oct.3/ 1982	Oct. 1981
TOTAL MANUFACTURING 4/	$391.79	$377.13	$358.30	38.6	37.6	36.9	$10.15	$10.03	$9.71
Durable Goods	407.81	398.24	367.52	39.1	38.0	36.9	10.43	10.48	9.96
Lumber & Wood Products	417.98	400.60	357.76	39.1	37.3	34.7	10.69	10.74	10.31
Logging & Sawmills	448.81	440.07	333.29	39.3	38.3	35.1	11.42	11.49	10.92
Veneer & Plywood	416.70	385.19	347.81	39.2	36.1	33.9	10.63	10.67	10.26
Millwork & Struct Wood	309.70	282.41	295.24	38.0	36.3	35.4	8.15	7.78	8.34
Mobile Homes	301.93	283.27	212.52	37.6	34.8	28.0	8.03	8.14	7.59
Other Wood Products	403.00	379.34	340.03	38.9	37.3	35.2	10.36	10.17	9.66
Furniture & Fixtures	268.60	267.62	220.88	36.2	35.4	31.6	7.42	7.56	6.99
Primary Metals	515.39	485.59	477.82	42.7	38.6	40.7	12.07	12.58	11.74
Fabricated Metals	393.57	383.30	353.60	39.2	38.6	37.3	10.04	9.93	9.48
Machinery	397.62	403.48	384.38	37.3	38.1	38.4	10.66	10.59	10.01
Nondurable Goods	351.17	329.57	335.22	37.2	36.7	37.0	9.44	8.98	9.06
Food & Kindred Prod	303.03	270.33	288.81	37.0	35.9	35.7	8.19	7.53	8.09
Canning & Preserving	249.84	218.73	236.31	36.0	34.5	34.1	6.94	6.34	6.93
Other Food Products	401.31	394.97	374.57	39.0	39.3	38.3	10.29	10.05	9.[illegible]8
Textile Mill Products	203.44	200.34	196.65	36.2	37.1	37.6	5.62	5.40	5.23
Apparel	182.86	184.73	180.64	33.8	34.4	35.7	5.41	5.37	5.06
Paper & Allied Products	504.11	520.66	477.93	39.6	40.9	40.4	12.73	12.73	11.83
Printing & Publishing	394.36	372.56	377.47	35.4	33.9	36.4	11.14	10.99	10.37
Construction 4/	530.02	549.79	511.27	32.9	34.6	32.4	16.11	15.89	15.78
Communications & Utilities 5/	449.99	438.08	430.44	39.3	38.7	40.8	11.45	11.32	10.55
Trade 5/	271.91	279.48	270.75	33.2	34.0	34.1	8.19	8.22	7.94
Wholesale Trade	361.38	369.27	364.42	36.8	37.3	38.0	9.82	9.90	9.59
Retail Trade	224.73	231.20	220.16	31.3	32.2	32.0	7.18	7.18	6.88
Banking & Insurance	247.19	241.31	229.55						
State & Local Government	304.15	306.39	290.44						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

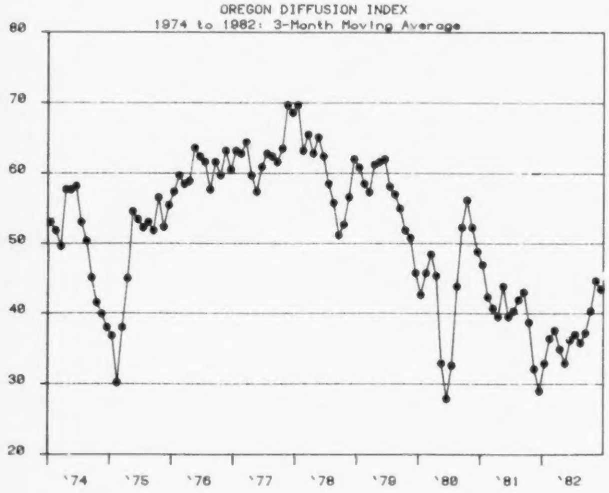
NOVEMBER-DECEMBER HIGHLIGHTS
RATE OF DECLINE SLOWED

Oregon's unemployment rate, adjusted to allow for normal seasonal variations, moved down to 12.0% in December from November's 12.5%. Meanwhile, the nation's unemployment rate inched up to a post-war high of 10.8 from 10.7% the month before.

For all of 1982, Oregon's jobless rate will average about 11.5%; the nation's 9.6%. Both rates are the highest since records began being kept in the 1940s.

Nonfarm wage and salary employment dropped 7,200 between November and December. The result was a slip of 0.4 in the seasonally adjusted nonagricultural wage and salary employment index. Although this is a decrease, it is less than last years November-December decrease and less than six out of the last 10 years.

The diffusion index followed suit with a slight drop to 43.4%. This small retreat from recent increases is not considered significant at this time. What is significant is this year began at just under 30% and proceeded to reach 44.6% in November, the highest level for 1982. Because the index is heavily weighted towards industries which traditionally lead changes in the economy, its recent strong performance may very well portend some economic revival.



Overall, employment changes between November and December held at about seasonally expected levels in most major industries. An exception to this trend was in the Trade sector where temporary hiring for the holidays fell 1,700 short of the hiring patterns established in years past. Although retail sales activity picked-up during the few days before Christmas, it was disappointingly slow during the survey week, the week of December 12 through 18. For what turned out to be a short buying season, merchants found it more cost efficient to extend the hours of current employes rather than to hire and train new workers.

A year ago comparison provides an even more gloomy picture with trade employment lagging 5,400 below December 1981. Unadjusted employment did rise a modest 1,600 over the month, but this was not enough to match normal expectations for the holiday season.

December was a good month for Plywood and Veneer where increased orders and expectations of a pick-up in housing activity spurred a jump of 300 jobs. Although employment in all of Lumber and Wood Products fell 900, employment actually went up 300 after adjustment for normal seasonal trends. The number of Lumber and Wood Products workers has been slowly gaining ground over the past year. December's 57,300 employment is 2,500 more than a year ago.

Employment in Food and Kindred Products fell 3,400 in December. After seasonal adjustment the drop was only 300. Turkey processing fell sharply as expected following the Thanksgiving holiday. The good news is that December 1982's employment was 300 higher than in December 1981.

Paper and Allied Products continued to fall (-200) with the problem of newsprint oversupply. Printing and Publishing fell 100 with the end of its busy holiday season.

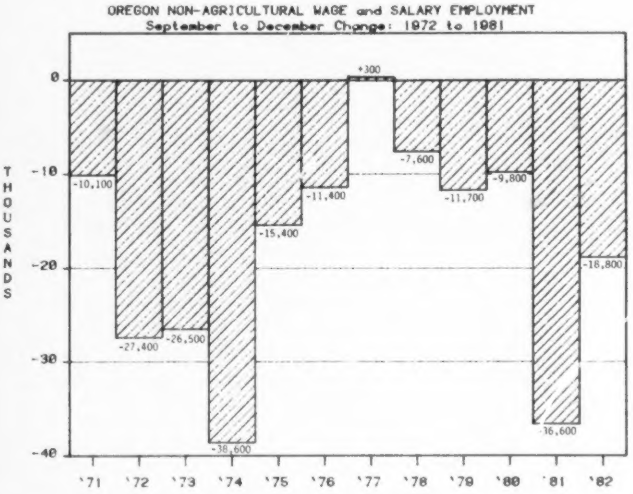
Heavy construction continued to nosedive, accounting for 1,300 of the 2,300 decline in total Construction employment. With employment losses exceeding normal levels, seasonally adjusted employment also fell 1,200. Completion of several small road construction projects accounted for much of the drop in Heavy Construction. Added to that was a lull in remodeling activity which added 700 to the overall decline. Employment in Construction has plummeted over 49% (25,900 jobs) since December 1979.

While employment in Finance, Insurance, and Real Estate remains well below year ago levels (-2,400), the steady decline was abated somewhat as Banking and Finance remained unchanged over the month. Real Estate slipped 100 but remains 600 ahead of last year.

In Services seasonally adjusted employment fell 700 for December; Health Services bore the brunt of the decline. Activity in health care facilities has been slipping as displaced employes lose health care benefits.

In spite of all the bad news, December's numbers may suggest some leveling off from the steady deterioration in unemployment since the onset of the recession. Employment, measured by the nonagricultural wage and salary series (the more consistent of the two employment series), shows a December 1982 decrease of 7,200 since November and 18,800 since September. In contrast, the decrease in 1981 was

13,700 and 36,600 respectively. The accompaning graph illustrates the three month change in employment in perspective with 10 prior years. The fact that the September-December 1982 drop is significantly less than that for 1981 is encouraging in itself, but the 1982 drop is also less than in 1974, 1973, and 1972.



Significant slowdown in the November-December employment drop has been linked to five major industry sectors:

	November - December Change		
Industry	1981	1982	differenc
Lumber and Wood Products	-1,900	- 900	+1,000
Transportation Equip.	- 600	+ 700	+1,300
Transp., Comm., Util.	- 600	+ 100	+ 700
Trade	- 700	+1,600	+2,300
Government	-3,800	-2,100	+1,700
Total	-7,600	- 600	+7,000

In spite of these positive signs, it is too early to say this is evidence of an economic turnaround. In some cases the lack of employment loss may mean only that workers were not hired in the first place. Indeed, the jobless rate is expected to continue to rise in Oregon over the next several months. Because of winter slowdowns in agriculture, logging, tourism, and construction, January through March are the months of Oregon's highest unemploymen

DATA FOR 1983 AFFIRMATIVE ACTION PROGRAMS

The Data for 1983 Affirmative Action Program booklets are being mailed to nearly 5,000 employers during January. Information contained in these annual publications is designed to assist employers establish affirmative action goals for women and people of ethnic or racial minority groups. Included are tables of population, labor force status, occupations of employed persons, and occupations of Employment Service applicants with job experience. The data is published as part of the national affirmative action labor market information program.

These data packets are available upon request for the State of Oregon and for each local labor market area. Limited data are also available for the cities of Portland, Salem, and Eugene.

For more information contact your local Employment Service labor economist or:

Employment Division R&S, LMI
875 Union St. N.E.
Salem, OR 97311
Phone: (503) 378-8657

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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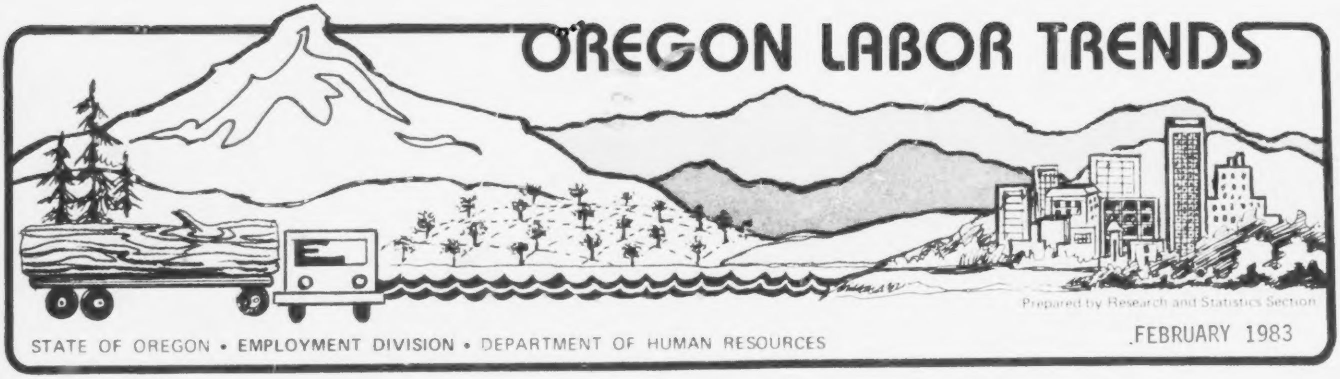


OREGON LABOR TRENDS

Prepared by Research and Statistics Section
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
FEBRUARY 1983

JANUARY INDICATORS

UNEMPLOYMENT RATE

	S.A.	Actual
Oregon		
Jan. '83	11.8	13.6
Dec. '82	12.0	12.3
U.S.		
Jan. '83	10.4	11.4
Dec. '82	10.8	10.5

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Jan. 1983:	101.5
Dec. 1982:	100.8
Jan. 1982:	104.4
Jan. 1981:	111.3
Jan. 1980:	113.7
Jan. 1979:	110.0

DIFFUSION INDEX

Oregon	
Jan. 1983:	47.3
Dec. 1982:	43.8
Nov. 1982:	44.6
Oct. 1982:	40.3

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Dec. 1982:	37.9
Nov. 1982:	38.3
Dec. 1981:	37.2

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Nov. 1982	285.6
Year Change	2.5%
U.S.	
Dec. 1982	292.4
Year Change	3.9%
Portland Hotline	221-4132

A MONTH OF HIGH UNEMPLOYMENT – AS EXPECTED

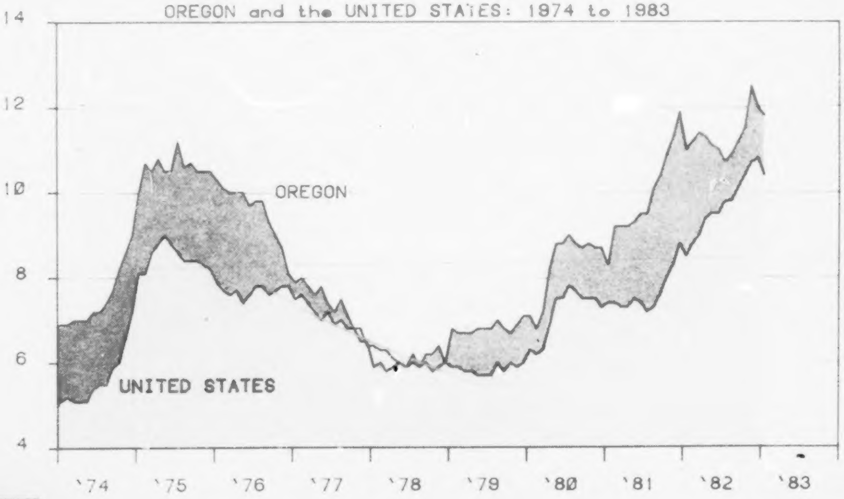
The thing to remember about Oregon's economy is that it is very seasonal. It is common for employment to vary by 60,000 from a January low to a September high. January through March are the months of highest unemployment because of winter slowdowns in agriculture, logging, construction, and tourism.

As expected, the number of persons working in January dropped while the number of persons not working increased. The direction of this movement is not to be blamed on the recession, but its magnitude is. The direction is due to Oregon's normal winter cycle but the all-time-record-high raw unemployment rate of 13.6% is a product of the state's long economic slide.

The number of unemployed persons in Oregon moved up 16,600 to 177,200 in January while the number employed dropped 19,300. By definition, the unemployed are those people age 16 and over who are without paid employment and who are looking and available for work. Included are not only those who are drawing unemployment insurance benefits but also those who fit the definition of unemployed but are not eligible for benefit payments. Persons not looking for work are not counted as unemployed.

The state's seasonally adjusted unemployment rate dipped .2 to 11.8% in January from December's 12.0%. This indicates that January's increase in unemployment was not as great as normally experienced following the holiday season. This year there were two major departures from the usual seasonal patterns. Mild

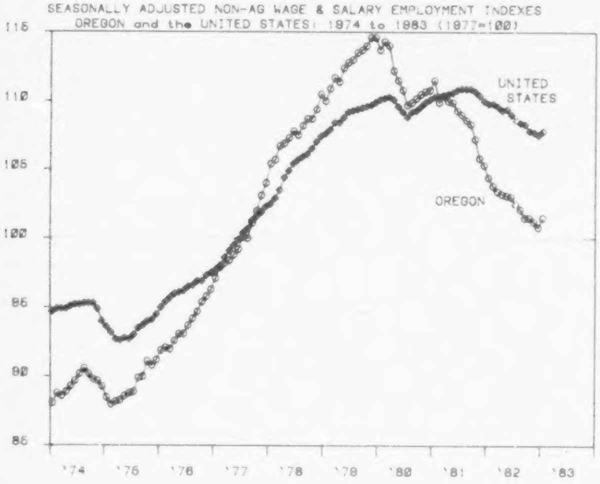
SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON and the UNITED STATES: 1974 to 1983



BEST AVAILABLE COPY

January weather allowed more outdoor work than usual and since Christmas season retail hiring was restrained this year, fewer workers than usual were pared last month.

Decreased seasonally adjusted unemployment is reflected in the nonagricultural wage and salary employment index. This good indicator of economic growth or decline moved up .7 to 101.5 (1977 = 100) in January. Part of this gain can be attributed to renewed activity in the state's lumber and wood products industry. However since this index is seasonally adjusted, part of the upturn is due to January's mild weather and the divergence from normal seasonal patterns in the Retail Trade and Services sectors.



The following table shows the actual December to January employment change compared to the normal seasonal trend in the major industry groups.

ACTUAL V.S. NORMALLY EXPECTED EMPLOYMENT CHANGE
DECEMBER 1982 - JANUARY 1983

	Actual Employment Change	Normal Seasonal Trend	Difference (Seasonally Adjusted Employment Change)
Lumber & Wood Products	- 200	- 1,800	+ 1,600
Other Durable Goods	- 2,200	- 900	- 1,300
Food & Kindred	- 2,100	- 1,300	- 800
Construction	- 1,500	- 3,200	+ 1,700
Transp., Comm., Util.	- 900	- 1,300	+ 400
Trade	-11,000	-12,200	+ 1,200
Finance, Ins., R.E.	- 100	- 1,100	+ 1,000
Services	- 600	- 3,100	+ 2,500
Government	- 1,600	- 900	- 700

A most positive note is the renewed activity in the Lumber and Wood Products sector. Not only did seasonally adjusted employment increase by 1,600 but employment was up a very real 4,400 jobs over a year ago. Retailers building inventories sparked a surge of new orders in early January. As a result, several mills were reopened and new shifts were added, countering the usually large January employment reductions. The drop of only 200 workers was 1,600 short of the normal loss of 1,800 during a typical January. This is the latest in a six month upward trend in Oregon's most basic industry.

Further optimism in Lumber and Wood Products is furnished by the industry itself. Not only have mills been reopened and new shifts added, but in John Day, construction of a $6.75 million sawmill will begin in March. These activities are certainly worthwhile to note as multi-million dollar decisions such as these do not come without some assurance of a market for their products.

In the other durable goods sectors, January's employment registered a decline of 2,200. The largest loss (-1,100) was in Transportation Equipment, more specifically ship repair, where large swings in employment are common. Machinery lost 400 employes from numerous layoffs. Repressed levels of machinery manufacturing are expected to continue until a strengthened economy increases demand for the upgrading and expansion of plants and equipment.

Food and Kindred Products needed 2,100 fewer workers in January. This drop is 800 more than normally expected. The major reason was decreased demand for the products.

Cooperative weather in January cushioned the employment drop in Construction so that it fell 1,700 less than normal. Even so, January's employment of 24,900 is the lowest since January 1971.

Major layoffs totaling over 800 workers in a large delivery service and a telephone company were the primary causes of January's drop of 900 jobs in Transportation, Communications, and Utilities. Although this was 400 less than usual, employment still remained 1,000 below January 1982.

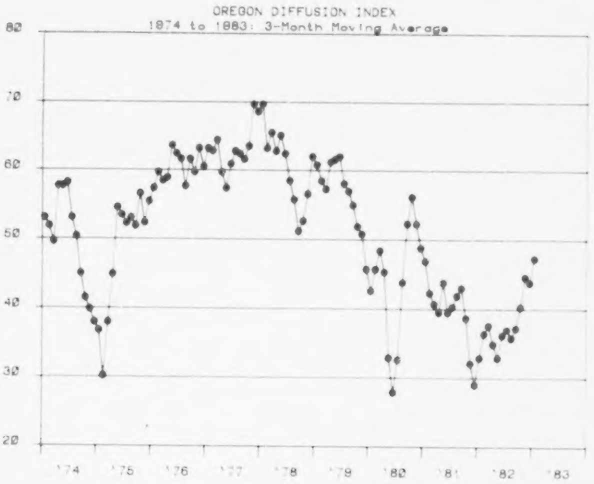
A modest increase of 1,200 Trade employes was noted in the seasonally adjusted employment for January. Actual employment in Retail Trade fell 10,200 from December 1982 and Wholesale Trade fell 800. It is important to keep in mind that the seasonally adjusted increase was due, in large part, to far less holiday hiring in the previous months, therefore, fewer layoffs occurred after Christmas. Retail Trade remained 2,300 and Wholesale Trade 4,600 below January 1982.

Employment activities in Services were led by an increase of 100 in Health Services and a loss of 400 in Hotels & Personal Services. Overall, employment decreased 600, or 2,500 less than normally expected. As in Trade, the seasonal expectation may be somewhat artificial due to less hiring for the holidays and therefore, fewer subsequent losses.

Even with additional Government employes required for the recently convened Oregon legislature, employment still fell 1,600, 700 more than usual in January. The Federal decline of 400 was due to seasonal layoffs in Forestry and the Postal Service. Part of State Government's gain was Local Government's loss. About 1,000 district and circuit court employes were converted to State Government from Local Government status. Other Local Government losses were pretty much across the board in Education and Local Administration.

Some good news is found in Oregon's Diffusion Index. This index of industry hiring experienced a significant jump upward reaching 47.3 in January. This is the highest it has been since early 1981. Upward movement of this seasonally adjusted index for three or more consecutive months is considered a foreteller of more prosperous times ahead. The index which began 1982 at under 30% has risen to close to 50%. At 50%, half the 43 industries that comprise the index show seasonally adjusted gains while half decline. Look for this indicator to rise above 50% in the near future.

Even as the economy strengthens during this year, the jobless rate will remain high, perhaps even increasing. The expected slow pace of hiring won't be enough to absorb all the people likely to re-enter the labor market as job prospects improve.



NEW BASE PERIOD (1977 = 100)

One of the best, most reliable economic indicators available to us is the seasonally adjusted nonagricultural wage and salary employment index. The index very effectively complements the unemployment rates by showing the direction of state and national employment trends, as is shown in the graph on the facing page.

Construction of the index is a two-step process. Total nonagricultural employment is first seasonally adjusted, and then indexed to make state and national figures more readily comparable to each other. Indexing is simply the math jargon for dividing each of the figures by a selected annual average employment number.

Until now the year 1972 (1972=100) has been used as the base period - the reference point. Periodic updating of the base period is helpful to better portray the current economic climate. Effective with this publication the base period is being moved up to 1977 (1977=100).

Some data users may want to convert the earlier index figures from the 1972 to the 1977 base period. To do so simply multiply the earlier Oregon numbers by a factor of .8264, which is the 1972 annual average nonagricultural wage and salary employment divided by the 1977 annual average.

Wage and salary employment indexes for each of Oregon's 32 labor market areas will also be converted to the new 1977 = 100 base period over the next couple of months as area benchmark employment revisions are completed.□

THE 1982 BENCHMARK REVISIONS

The annual benchmark revision process is upon us. Data on pages 4 and 5 are adjusted to the new (1982) benchmark. The revised 1981 and 1982 tables will be inserted in next month's publication or they are available upon request if needed earlier.

Employment benchmarking is a part of a continuing process aimed at providing the most accurate count of employment. Earlier estimates, based on data supplied by a selected sample of employers (about 4,000), are replaced with more complete information compiled from employers covered by the unemployment insurance (UI) program (nearly 70,000). Added to the "covered" counts are updated estimates for workers not covered by unemployment insurance.

According to Webster a benchmark is a "point of reference in measuring or judging quality..." As it applies to labor market information, benchmarking can provide the foundation for an evaluation of performance in employment estimating.

So, what does the record show? Basically, a credible job. Generally the earlier estimates slightly overstated the actual employment totals. That is, the recession lowered the job count a bit more than the original estimates showed. In December 1982, for example, we originally estimated nonfarm employment at 956,500. The revision reduced that total by 7/10 of 1% to 950,200. The table that follows shows the amount of revision in the major industrial sectors.

December 1982 Nonfarm Employment

	Original ('81 BM)	Revised ('82 BM)	Change
Total Nonfarm	956,500	950,200	-6,300
Manufacturing	183,300	180,000	-3,300
Lumber & Wood	57,300	56,300	-1,000
Other Mfg.	126,000	123,700	-2,300
Nonmanufacturing	773,200	770,200	-3,000
Mining & Quarrying	1,400	1,200	- 200
Construction	26,600	26,400	- 200
Trans., Comm., Util.	56,400	56,700	300
Trade	246,800	242,100	-4,700
Fin., Ins., R.E.	63,500	63,800	300
Services	182,800	184,400	1,600
Government	195,700	195,600	- 100

RESIDENT OREGON LABOR FORCE

	Jan. 1983 1/	Dec. 1982 2/	Change	% Change	Jan. 1982 5/
Civilian Labor Force 3/	1,307,000	1,309,700	- 2,700	- 0.2	1,297,800
Unemployment	177,200	160,600	+16,600	+10.3	164,200
Percent of Labor Force	13.6	12.3	xxx	xxx	12.7
Seasonally Adjusted Percent	11.8	12.0	xxx	xxx	11.1
Total Employment 4/	1,129,800	1,149,100	-19,300	- 1.7	1,133,600

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Jan. 1983 1/	Dec. 1982 2/	Jan. 1982	Change From	
				Dec. 1982	Jan. 1982
TOTAL 3/	929,600	950,200	957,600	-20,600	-28,000
Wage & Salary Employment Index 4/	101.5	100.8	104.4	xxx	xxx
Diffusion Index 5/	47.3	43.8	32.9	xxx	xxx
Total Manufacturing	175,300	180,000	182,700	- 4,700	- 7,400
Durable Goods	126,200	128,600	132,800	- 2,400	- 6,600
Lumber & Wood Products	56,100	56,300	51,700	- 200	4,400
Logging & Sawmills	28,200	28,400	25,900	- 200	2,300
Veneer & Plywood	17,800	17,800	16,200	0	1,600
Millwork & Structural Wood	5,400	5,600	5,000	- 200	400
Mobile Homes	1,500	1,400	1,300	100	200
Other Wood Products	3,200	3,100	3,300	100	- 100
Furniture & Fixtures	2,500	2,500	2,200	0	300
Stone, Clay, Glass, & Concrete	2,800	3,000	3,100	- 200	- 300
Primary Metals	6,900	7,000	9,200	- 100	- 2,300
Blast Furnaces, Iron & Steel	3,800	3,900	5,100	- 100	- 1,300
Nonferrous Metals	3,100	3,100	4,100	0	- 1,000
Fabricated Metals	8,800	8,900	10,400	- 100	- 1,600
Fabricated Structural Metals	3,500	3,700	4,100	- 200	- 600
Other Fabricated Metals	5,300	5,200	6,300	100	- 1,000
Machinery	14,700	15,100	17,400	- 400	- 2,700
Electrical Equipment & Supplies	9,300	9,400	10,000	- 100	- 700
Transportation Equipment	7,100	8,200	8,100	- 1,100	- 1,000
Instruments & Related Products	15,900	15,900	18,200	0	- 2,300
Miscellaneous Manufacturing	2,100	2,300	2,500	- 200	- 400
Nondurable Goods	49,100	51,400	49,900	- 2,300	- 800
Food & Kindred Products	20,100	22,200	20,300	- 2,100	- 200
Canning & Preserving	10,100	11,900	10,100	- 1,800	0
Other Food Products	10,000	10,300	10,200	- 300	- 200
Textile Mill Products	1,600	1,800	1,700	- 200	- 100
Apparel	2,700	2,600	2,700	100	0
Paper & Allied Products	9,400	9,500	10,000	- 100	- 600
Printing & Publishing	10,200	10,100	10,100	100	100
Chemicals & Allied Products	2,000	2,100	2,100	- 100	- 100
Petroleum Refining	400	400	500	0	- 100
Rubber & Plastic Products	2,400	2,400	2,200	0	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Jan. 1983	Dec. 1982	Jan. 1982	Change From Dec. 1982	Change From Jan. 1982
(cont.)					
Total Nonmanufacturing	754,300	770,200	774,900	-15,900	-20,600
Mining & Quarrying	1,000	1,200	1,800	- 200	- 800
Construction	24,900	26,400	27,300	- 1,500	- 2,400
Transportation, Communications, & Utilities	55,800	56,700	56,800	- 900	- 1,000
Transportation	31,700	32,300	31,600	- 600	100
Railroad	5,500	5,700	6,300	- 200	- 800
Trucking & Warehousing	16,300	16,700	15,200	- 400	1,100
Other Transportation	9,900	9,900	10,100	0	- 200
Communications	15,100	15,400	16,200	- 300	- 1,100
Utilities	9,000	9,000	9,000	0	0
Trade	231,100	242,100	238,000	-11,000	- 6,900
Wholesale Trade	58,700	59,500	63,300	- 800	- 4,600
Durable Goods	34,500	35,000	38,400	- 500	- 3,900
Nondurable Goods	24,200	24,500	24,900	- 300	- 700
Retail Trade	172,400	182,600	174,700	-10,200	- 2,300
General Merchandise	24,500	27,100	24,700	- 2,600	- 200
Food Stores	26,100	27,800	26,100	- 1,700	0
Auto Dealers & Service Stations	20,800	21,100	21,100	- 300	- 300
Other Retail Trade	101,000	106,600	102,800	- 5,600	- 1,800
Finance, Insurance, & Real Estate	63,700	63,800	65,300	- 100	- 1,600
Banking & Credit Agencies	23,300	23,300	24,400	0	- 1,100
Other Finance, Insurance, & Real Estate	40,400	40,500	40,900	- 100	- 500
Services	183,800	184,400	186,100	- 600	- 2,300
Hotels & Personal Services	20,700	21,100	22,800	- 400	- 2,100
Health Services	65,000	64,900	64,700	100	300
Other Services	98,100	98,400	98,600	- 300	- 500
Government	194,000	195,600	199,600	- 1,600	- 5,600
Federal Government	28,500	28,900	27,400	- 400	1,100
State Government	52,400	50,500	51,500	1,900	900
Education	22,500	22,200	22,500	300	0
Other State	29,900	28,300	29,000	1,600	900
Local Government	113,100	116,200	120,700	- 3,100	- 7,600
Education	71,600	72,700	76,700	- 1,100	- 5,100
Other Local	41,500	43,500	44,000	- 2,000	- 2,500
Labor-Management Disputes	0	0	100	0	- 100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS AND EARNINGS – MIXED MESSAGES

Mixed messages were the findings for December Hours and Earnings. Manufacturing industries gained .7 hour per week over the December 1981 level, a principal outcome of Lumber & Wood Products market improvements during that time period. However, the workweek average dropped .4 hours between November 1982 and December 1982. Average hourly earnings rose $.24 in December, the result of a sizable reduction in the number of Nondurable Goods production workers and December 24th holiday payments by a significant number of firms. Elsewhere, the so-called "recession proof" industries such as electronics were being suppressed with layoffs and hiring freezes.

MANUFACTURING:

Lumber & Wood Products appeared to make inroads toward better economic health in December. Although weekly hours fell by .2 hours, production worker employment fell less than 100. Both the reopening of mills and improving market conditions contributed to a good month for Veneer & Plywood with a resultant increase of 600 employes. Improved prices for plywood and depleted inventories were cited as contributing factors. As with much good news, there is often some bad, and it was in the area of Mobile Homes. Weekly earnings fell $29.36 as one firm experienced a temporary closure, causing a reduction of 200 production workers and a drop of 2.7 hours in the workweek average. Optimism remains high (although tempered with prudence) within the Lumber & Wood Products industry that an upswing is in progress and that the industry is expected to make a reasonable showing in 1983.

Other Durable Goods manufacturers reported a combination of ups and downs with Furniture & Fixtures not only giving up the gain made between October and November but falling to its lowest average weekly hours since May 1982, and its lowest average hourly earnings since December 1981. In response to market conditions, partial closures and reduced

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec.2/ 1982	Nov.3/ 1982	Dec. 1981	Dec.2/ 1982	Nov.3/ 1982	Dec. 1981	Dec.2/ 1982	Nov.3/ 1982	Dec. 1981
TOTAL MANUFACTURING 4/	$393.40	$388.36	$363.82	37.9	38.3	37.2	$10.38	$10.14	$9.78
Durable Goods	408.00	407.81	368.89	38.6	39.1	37.0	10.57	10.43	9.97
Lumber & Wood Products	416.62	417.98	368.14	38.9	39.1	35.5	10.71	10.69	10.37
Logging & Sawmills	447.33	448.81	394.80	39.0	39.3	35.6	11.47	11.42	11.09
Veneer & Plywood	419.63	416.70	369.00	39.7	39.2	36.0	10.57	10.63	10.25
Millwork & Struct Wood	308.47	309.70	287.45	37.3	38.0	35.4	8.27	8.15	8.12
Mobile Homes	272.57	301.93	231.42	34.9	37.6	28.5	7.81	8.03	8.12
Other Wood Products	406.11	403.00	350.05	39.2	38.9	36.2	10.36	10.36	9.67
Furniture & Fixtures	232.98	261.36	202.08	33.0	36.0	29.5	7.06	7.26	6.85
Primary Metals	489.16	515.39	479.23	40.9	42.7	41.1	11.96	12.07	11.66
Fabricated Metals	409.36	393.57	372.02	41.1	39.2	38.0	9.96	10.04	9.79
Machinery	399.48	397.62	378.49	37.3	37.3	37.4	10.71	10.66	10.12
Nondurable Goods	357.56	343.83	352.09	36.3	36.5	37.9	9.85	9.42	9.29
Food & Kindred Prod	292.92	291.56	310.34	33.4	35.6	37.3	8.77	8.19	8.32
Canning & Preserving	220.08	234.59	254.54	29.7	33.9	35.8	7.41	6.92	7.11
Other Food Products	408.33	401.06	385.14	39.3	38.9	39.3	10.39	10.31	9.80
Textile Mill Products	208.58	203.44	201.08	35.9	36.2	38.3	5.81	5.62	5.25
Apparel	214.18	182.86	184.83	38.8	33.8	36.1	5.52	5.41	5.12
Paper & Allied Products	551.17	504.11	501.03	42.3	39.6	40.9	13.03	12.73	12.25
Printing & Publishing	387.24	394.36	377.25	35.3	35.4	36.1	10.97	11.14	10.45
Construction 4/	519.17	530.02	512.85	31.2	32.9	32.5	16.64	16.11	15.78
Communications & Utilities 5/	457.41	449.99	412.11	39.5	39.3	38.3	11.58	11.45	10.76
Trade 5/	275.31	271.91	270.31	34.5	33.2	34.7	7.98	8.19	7.79
Wholesale Trade	359.78	361.38	356.45	36.9	36.8	37.8	9.75	9.82	9.43
Retail Trade	233.43	224.73	224.07	33.3	31.3	33.0	7.01	7.18	6.79
Banking & Insurance	252.10	247.19	233.24						
State & Local Government	311.90	304.15	288.32						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

mary Metals lost 1.8 hours in the workweek average and $.11 an hour as mixed market conditions had varied effects on the industry. Some firms reported returns from layoff and others reduced hours or entered into layoffs. Continued increases in the price of energy will undoubtedly have a negative effect on this industry. Fabricated Metals also experienced varied reactions to the market although more upbeat than Primary Metals; production worker employment rose over 100 for December and average weekly hours rose 1.9. A modest $.08 drop in hourly earnings was a function of wage rate reductions by several firms. On the surface Machinery appears to be holding its own, but in reality production worker counts dropped 300 since November and were 1,800 below the year ago level with no immediate turnaround in sight. To make matters even worse, the announced closure of Hyster's Portland plant within the near future will result in the loss of another 300 jobs.

Average hourly earnings for Nondurable Goods rose $.43 in December. This was a result of an increase in the proportion of higher paid employes in Canning & Preserving due to declines in the number of lower paid seasonal workers. Average weekly hours for Nondurable Goods dropped a modest .2. Increased business activity brought the largest shift in Apparel with a 5.0 increase in average weekly hours. Food & Kindred Products lost 2.2 hours per week with the continuing seasonal slowdown of Canning & Preserving. A return from a mechanical failure shutdown in one large paper plant and seasonal maintenance shutdowns in several others prompted an increase in overtime hours in December for Paper & Allied Products, driving average weekly hours up 2.7 and average hourly earnings up $.30 an hour.

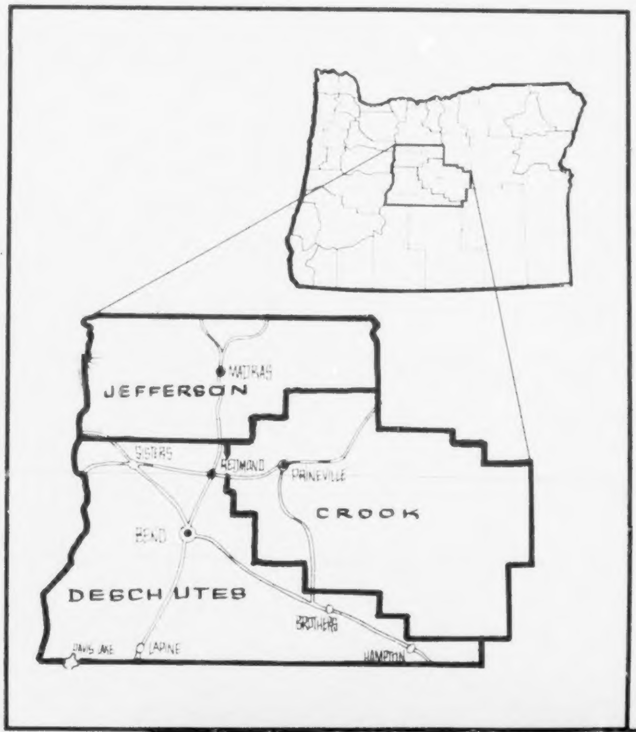
NONMANUFACTURING

Oregon's Construction sector struggled in December. Production worker employment in Heavy Construction fell 1,700, dropping 6,300 below the year ago figure. The decreasing number of production workers boosted the ratio of higher paid employes with a resultant rise in average hourly earnings. Also adding to the rise was double-time pay for "special projects" work. Employers in Retail Trade hesitant to hire their usual level of additional holiday staff due to economic uncertainties, extended hours thereby boosting weekly hours by 2.0 over November. Trade's December performance was a testimonial that the "wait and see" position ended with a "wait".□

CENTRAL OREGON PROFILE

This region, in the geographic center of Oregon, is comprised of three counties, Crook, Deschutes and Jefferson with a 1982 population of 89,475. In this relatively sparsely populated area, 3.4% of Oregon's population occupies 8.1% of the state's total land area. Its major population center, Bend (1982 pop. = 17,800) is Oregon's largest city east of the Cascade Mountains.

Because Crook County is geared to lumber and wood products and agriculture, its economy has suffered more severely from the recession than most. Unemployment rates reached over 20% during the winter of 1981-82. Although a dramatic improvement in lumber and wood products employment has occurred in recent months, unemployment rates are still above the state average. Prineville, the county's only incorporated community, is headquarters for the Ochoco National Forest, as well as regional Bureau of Land Management and state forestry offices. A past source of reliable employment, budgetary cutbacks are increasingly affecting government employment, adding to local economic problems. Economic plusses for the county are a stable agricultural sector and the growing popularity of neighboring reservoirs and the Ochoco mountains with summer recreationists. Also, Prineville is headquarters for the northwest's largest independent tire dealer, the Les Schwab Company.



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TAKE A TWO MINUTE TAX BREAK!

An Eighty-five percent (85%) tax credit will soon be available to Oregon employers, thanks to the Targeted Jobs Tax Credit Program (TJTC)! A new target group has been added to the program, called "Disadvantaged Summer Youth." In concept, the incentive is the same as with all other target groups. Employers who hire and pay wages to certified target group members will be eligible to claim part of those wages as a tax credit. The structure of the tax credit is changed, however, to acknowledge the short-term nature of summer jobs.

A "Disadvantaged Summer Youth" is any individual who, on the hiring date:

1. Is being hired by the employer for the first time, and
2. Is hired between May 1, 1983 and September 15, 1983, and
3. Is at least 16 years of age but not yet 18 years of age, and
4. Is a member of an economically disadvantaged family, and
5. Is not related to the employer.

Computation of the tax credit follows a different formula for this target group. During any 90 consecutive day period between May 1, 1983 and September 15, 1983, 85% of the first $3,000 in qualified wages paid to the employee may be claimed as a tax credit. Thus, the maximum potential tax credit is $2,550 ($3,000 x 85%). Since the dollar amount claimed as a tax credit cannot also be claimed as a business expense deduction, an employer's net savings reflect the gross tax credit reduced by the percentage of the employer's tax rate.

The chart below shows the potential tax savings available to employers for each Disadvantaged Summer Youth who earns the maximum tax credit.

TJTC NET TAX SAVINGS
ONE TJTC SUMMER YOUTH EMPLOYEE

CALCULATE THE ANTICIPATED NET TAX SAVINGS
PER ELIGIBLE EMPLOYEE AT VARIOUS TAX RATES

	@14%	@17%	@20%	@25%	@30%	@35%	@40%	@46%	@50%
1st YEAR									
TJTC	2550	2550	2550	2550	2550	2550	2550	2550	2550
TAX RATE	14%	17%	20%	25%	30%	35%	40%	46%	50%
BUS. EXP. REDUCTION	-357	-435	-510	-638	-765	-892	-1020	-1173	-1275
NET TAX SAVINGS	2193	2117	2040	1913	1785	1658	1530	1377	1275

As with other target groups, a critical time element exists. Employers must request the TJTC certification in writing on or before the day the youth starts work. This can be facilitated by any of the agencies working with the Targeted Jobs Tax Credit Program.

There is another major benefit available to employers. Certified summer youth who are retained by the employer after September 15 may also qualify for one of the other eight target groups. This means the employer can potentially claim tax credits of 50% of the balance of the first $6,000 for the first year and 25% of the first $6,000 for the second year of employment.

For more information, contact the nearest Oregon State Employment Division office or call toll-free 1-800-452-7813, extension 8-4390.

experienced the most rapid population growth of any Oregon county, exceeding 100 percent. While manufacturing employment, particularly in lumber remanufacture such as millwork, plywood and particleboard, expanded significantly, it was the spectacular growth in popularity of the Bend area as a year-round recreation and retirement mecca that was the principal spur to economic and population growth. The key to this development was the establishment and continuing expansion of the Mt. Bachelor Ski Area. This added another dimension to the area's recreation potential, whose mountains, lakes and streams and pleasant climate have always been popular with summer vacationists. Development of large resorts rapidly become an economically attractive option. The recreation/retirement boom and related construction provided jobs for the rapidly growing resident population, which in turn boosted residential and commercial construction. The onset of the current recession saw severe cutbacks in forest products and construction employment. Although population growth now appears to have leveled off, the initial phase of the recession saw a continued influx of population, which further boosted unemployment levels. The area's liveability and recreational opportunity remain a positive economic asset. Nearby Redmond will also experience a growth phase as the recently established Tektronics plant expands employment over the next several years. Growth potential for Deschutes County during the latter half of the 1980's remains among the highest for any Oregon county.

Jefferson County has experienced only limited effects from the current recession partly due to its balanced economy of agriculture, manufacturing and recreation. However, credit for economic stability rests primarily with the county's largest employer, the Warm Springs Tribes. Warm Springs Forest Products, which is tribally owned, has maintained near-normal levels of employment as the result of its development of the Kah-Nee-Ta resort complex (located in neighboring Wasco County, but primarily employing Jefferson residents) has boosted services employment in recent years. Besides forest products, manufacturing is varied, including french fries, boats, agricultural machinery, golf equipment, labels and radiation shielding. Agricultural production is also varied, including mint, potatoes, hay, grain, seed and livestock. Madras, located at the junction of U.S. highways 97 and 26, has benefited from growing traffic volume through the expansion of trade and service business serving the highway traveler.□

NEW LABOR SURPLUS AREAS DESIGNATED

The following areas have been added to the list of "labor surplus areas" by the U.S. Department of Labor.

Balance of Clackamas County
Portland City
Umatilla County
Yamhill County

These new classifications were effective February 1, 1983.

Employers located in labor surplus areas are eligible for preference in bidding on certain federal contracts. For further information contact:

Business Services Center
General Services Administration
440 Federal Bldg.
915 Second Ave.
Seattle WA 98174
Phone: (206) 442-5556

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

MARCH 1983

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

FEBRUARY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Actual
Feb. '83	11.5	13.1
Jan. '83	11.9	13.5
U.S.		
Feb. '83	10.4	11.3
Jan. '83	10.4	11.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Feb. 1983:	101.6
Jan. 1983:	101.7
Feb. 1982:	103.8
Feb. 1981:	109.9
Feb. 1980:	114.3
Feb. 1979:	110.9

DIFFUSION INDEX

Oregon	
Feb. 1983:	45.3
Jan. 1983:	44.2
Dec. 1982:	43.8
Nov. 1982:	44.6

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Jan. 1983:	38.1
Dec. 1982:	37.9
Jan. 1982:	37.5

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Jan. 1983	286.6
Year Change	- 0.6%
U.S.	
Feb. 1983	293.2
Year Change	3.5%
Portland Hotline	221-4132

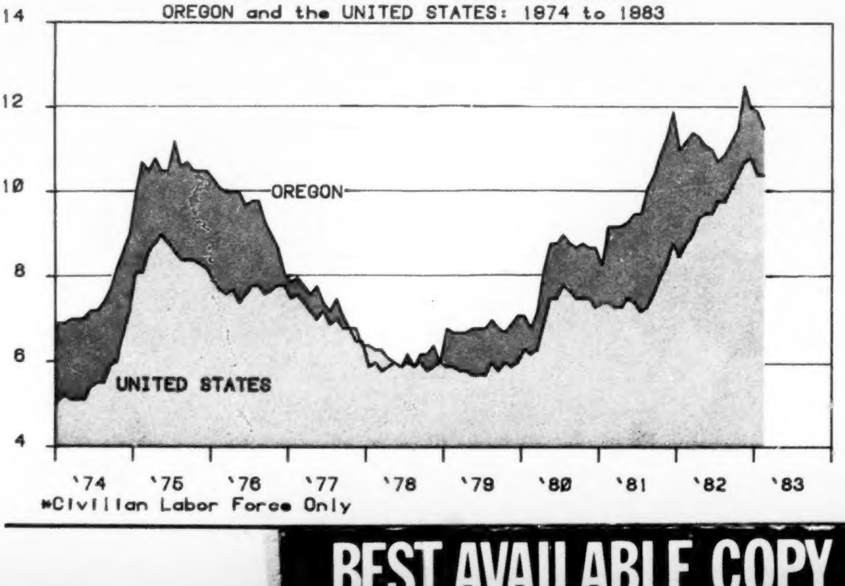
A POSITIVE REPORT

Oregon's February jobless report is basically positive and consistent with other good economic news. The actual count of unemployed job seekers showed a reduction of 4,500 in February while total employment climbed 12,800.

Oregon's seasonally adjusted unemployment rate fell to 11.5% from January's 11.9%, a stronger than normal decrease for a February. Seasonal adjustment minimizes changes due to normal annual occurrences such as changes in the weather, crop maturation, and holiday buying patterns. After seasonal adjustment any differences should then be due to economic trends or to unusual occurrences.

The nonagricultural wage and salary employment index, one of the best overall measures of the state's economic growth or decline showed little change. February's index of 101.6 (1977=100) was just marginally below the 101.7 for January but is still 0.7 above December's 100.8. Part of February's decline must be pinned on January's mild weather which encouraged more activity than normal during the first month of the year. January also looked especially good because the lack of hiring for the holidays caused less reduction during January.

Positive news came from Oregon's diffusion index, a leading economic indicator, which increased again for the seventh time in the last nine months. The index which began 1982 at under 30% has risen to 45.3% in February. When this index reaches



SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1974 to 1983

*Civilian Labor Force Only

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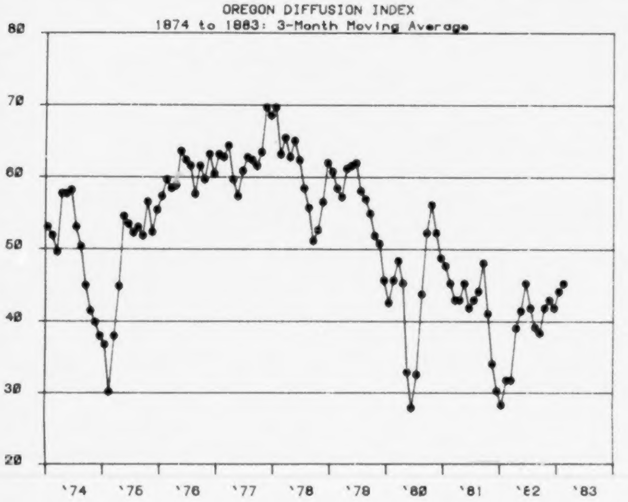
50%, as it is expected to within the next few months, half of the 43 industries that comprise this index will show seasonally adjusted employment gains.



The most encouraging news comes from Lumber and Wood Products which increased 1,800 over January and 5,500 from a year ago. The combination of reduced interest rates, hopeful signs of recovery in the U.S. housing industry, plus depleted inventories has resulted in renewed activity in the Oregon lumber industry.

U.S. housing starts in February rose to a seasonally adjusted annual rate of 1,756,000 units. February's level, which marked the fifth rise in six months, was the highest number of starts since September 1979 and was 93% above the year-earlier rate of 911,000 units. This increase was attributed to lower interest rates and increased optimism among home builders that home sales would continue to pick up in coming months.

The following table shows the actual January to February employment change compared to the normal seasonal trend in the major industry groups.

ACTUAL vs NORMALLY EXPECTED EMPLOYMENT CHANGE
January 1983 - February 1983

	Actual Feb. '83 Change	Normal Feb. Change	Difference (Seasonally Adjusted Employment Change)
Lumber & Wood Products	+1,800	+ 500	+1,300
Other Durable Goods	- 700	- 100	- 600
Food & Kindred	+ 500	- 100	+ 600
Other Nondurable Goods	- 200	- 200	0
Construction	-1,800	+ 600	-2,400
Transp., Comm., Util.	+ 200	0	+ 200
Trade	- 200	-2,200	+2,000
Finance, Ins., R.E.	- 300	0	- 300
Services	+ 700	+2,000	-1,300
Government	+1,800	+2,300	- 500

Other Durable Goods employment registered a seasonally adjusted decline of 600 in February. Continued layoffs in ship repair and a cutback in instrument manufacturing prompted most of the drop.

While "high-tech" has provided some stability to the economic storms of the past three years, it is not a cure-all for Oregon's joblessness. Stiff competition at home and abroad has required Oregon's electronic stalwarts to hold the line on production costs, of which labor plays a big part. For the metals industry, a host of uncertainties were affecting employment needs. Chief among these was the prospect of higher energy costs on top of previous increases. Current employment for Primary and Fabricated Metals was 3,700 below year ago levels.

Employment in Construction reflected the lack of Oregon housing demand and a slowdown in other construction by dropping 1,800 over the month and 3,700 since February 1982. One must go back to 1962 to find a February with fewer construction workers employed in Oregon. In 1962, construction workers made up 4.1% of total nonfarm wage and salary employment while in 1983 they could garner only 2.5%.

February employment climbed 500 in Food & Kindred Products for a seasonally adjusted gain of 600. Canning & Preserving led the way with a 400 increase due to repack and maintenance activities.

Imbalance in supply and demand still hampered Paper & Allied Products. The world glut of newsprint appeared to be lessening but tight inventory controls kept employment needs suppressed. Employment was down 600 from a year ago.

A 400 increase in Trucking & Warehousing employment offset smaller losses elsewhere in Transportation to contribute to a seasonally adjusted gain of 200. Much of the improvement was due to increased transportation needs of the Lumber and Wood Products industry.

Seasonally adjusted Trade employment climbed 2,000 over the month due to fewer than normal layoffs in Retail Trade and a flicker of activity in Wholesale Trade. Fewer than normal layoffs occurred in February largely because there were fewer hires during the holidays. After steady declines in Wholesale Trade, February's turnaround was largely due to wholesalers reacting to the upbeat activity in building products.

Closure of recession weakened real estate offices and mergers of financial institutions left 300 without jobs in Finance, Insurance, and Real Estate.

Employment gains in amusements, private education, and misc. business services were the primary causes of the 800 gain in Other Services. However these pluses as well as a modest decline (-100) in Health Services failed to match normal expectations. Seasonally adjusted employment fell 1,300.

In Government, employment gained 1,800 over the month but was 3,100 less than a year ago. Seasonally adjusted employment fell 500. Local Government, with all their budget problems, had 5,300 fewer employes than last year. Even with the shift of 1,000 district and circuit court employes to State Government status and with the legislature in session, year ago comparisons show only a 700 gain.

Analysts remain optimistic for the remainder of the 1980s. Once the mud is scraped off our boots we're going to be in for an exciting period of economic progress.

Our optimism is based on a number of favorable trends. One of the most important is that the nation is now experiencing inflation rates lower than anybody hoped for just a year ago. Many people do not realize the long strides that have been taken in coming to grips with one of the major sources of inflation in the 1970s - the huge increase in oil prices. The tight grip OPEC had on the world has lessened substantially. OPEC once controlled over half the world oil market, but it now supplies less than one third - and at lower prices than last year. Mexico, a non-OPEC country has become the U.S.'s principal foreign supplier. Also, the per capita consumption of oil is decreasing - largely due to conservation. The switch to fuel-efficient cars and mass transit is paying dividends and will do so even more as the inefficient autos built in the mid 1970s are scrapped. Conservation is also paying off from the development of more energy-efficient homes, factories, and manufacturing equipment.

Declining birth rates of the 1960s means the labor force will grow more slowly during the 1980s. This decline in the number of new workers and the tendency toward more nonwork time will help take the sharp edge off the large inroads made by automation during the last few years. The combination of a more experienced workforce and automation should increase productivity, thus boosting real wages, easing pressure on prices, and widening profit margins.

While Oregon will share in the good times she may be late to the party if interest rates do not continue to recede. Don't get too excited about the current upblip in housing. Even at January's 1.7 million level, activity is still less than the late 1970s when nearly two million homes a year for a number of years were started. Moreover, current mortgage rates are still high by historical standards. There is some, but only a little long term demand for housing at the current 12-13% rates where monthly payments on a modest $40,000 loan may take $500 or more a month for 30 years out of the family budget for principle, interest, and taxes.

The biggest overall danger to a housing recovery is the looming threat of enormous federal deficits this year and beyond. Such huge borrowing by the government is apt to keep interest rates high and could push them back up to earlier levels.

Oregon has another problem in its housing industry, unique to states with high in-migration during the 1970s and current high unemployment. For the long term unemployed, once the savings are depleted, and the unemployment insurance runs dry, families are forced into a critical reevaluation of their situation. Many decide to leave the state to go where there may be jobs and/or family for support. They leave behind a surplus of housing, either for sale or for rent, which depresses real estate prices and stifles demand for new housing. It is clear that the revival of Oregon's Lumber and Wood Products industry must find its start in the good fortunes of the rest of the nation.□

HOURS AND EARNINGS – BETTER TIMES AHEAD

At the national level, signs of recovery are beginning to appear. Declining energy costs and interest rates are making substantial inroads toward the prospect of better times. However, the flow of optimism has not spread evenly to all sectors of the economy. For many areas of the country the turnaround is well on its way, while others may never fully recover due to long term structural changes. The seasonal nature of Oregon's economy, interest rate trends, as well as competition and trade in foreign and domestic markets will determine the strength and direction of Oregon's recovery.

MANUFACTURING

A 6,800 drop in production worker employment for total manufacturing during January highlights the combined effects of a divergent recovery, not equally shared by all, and the seasonal forces at work in Oregon's economy. These two factors are seemingly tugging in opposite directions on hours and earnings. Absent for January was holiday pay premiums which had boosted hourly earnings for December; as a result, earnings fell by $.07. Production worker losses were fairly evenly split between Durable (3,300) and Nondurable Goods (3,500), yet improving economic conditions helped to overcome normal seasonal expectations to post a modest .2 increase in weekly hours.

A nationwide pick-up in orders for wood products has stimulated Oregon's Lumber & Wood Products industry. As a result, instead of the expected seasonal decline, average weekly hours remained unchanged for January and were 2.7 higher than year ago levels. Likewise, production worker employment climbed 3,900 over year ago levels. Logging & Sawmill employers reported a .8 improvement in weekly hours, while Veneer & Plywood responded with a $.19 increase in hourly earnings because of overtime worked. With inventories cut to the bone, even the slightest increase in demand has created spot shortages in materials. As the market struggles to maintain some sort of equalibrium between supply and demand, price volatility will be an important factor in determining the course of any sustained improvements.

Other Durable Goods produced little in the way of encouragement. Furniture & Fixtures weekly earnings (228.62) fell to its lowest level since April 1982, in response to the continued erosion of market conditions. Elsewhere in Other Durable Goods, extremely low levels of production are expected to continue until the economy recovers sufficiently to begin upgrading and expanding plants and equipment.

RESIDENT OREGON LABOR FORCE

	1/ Feb. 1983	2/ Jan. 1983	Change	% Change	5/ Feb. 1982
Civilian Labor Force 3/	1,317,000	1,308,700	+ 8,300	+0.6	1,304,500
Unemployment	172,300	176,800	- 4,500	-2.6	168,000
Percent of Labor Force	13.1	13.5	xxx	xxx	12.9
Seasonally Adjusted Percent	11.5	11.9	xxx	xxx	11.4
Total Employment 4/	1,144,700	1,131,900	+12,800	+1.1	1,136,500

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ Feb. 1983	2/ Jan. 1983	Feb. 1982	Change From Jan. 1983	Change From Feb. 1982
TOTAL 3/	933,700	931,800	953,800	1,900	-20,100
Wage & Salary Employment Index 4/	101.6	101.7	103.8	xxx	xxx
Diffusion Index 5/	45.3	44.2	31.8	xxx	xxx
Total Manufacturing	176,600	175,200	181,000	1,400	- 5,000
Durable Goods	127,300	126,200	131,900	1,100	- 4,600
Lumber & Wood Products	57,900	56,100	52,400	1,800	5,500
Logging & Sawmills	29,000	28,400	26,800	600	2,200
Veneer & Plywood	18,300	17,500	16,100	800	2,200
Millwork & Structural Wood	6,000	5,600	4,900	400	1,100
Mobile Homes	1,500	1,500	1,400	0	100
Other Wood Products	3,100	3,100	3,200	0	- 100
Furniture & Fixtures	2,500	2,500	2,100	0	400
Stone, Clay, Glass, & Concrete	2,900	2,900	3,100	0	- 200
Primary Metals	7,000	7,000	9,200	0	- 2,200
Blast Furnaces, Iron & Steel	3,800	3,800	5,100	0	- 1,300
Nonferrous Metals	3,200	3,200	4,100	0	- 900
Fabricated Metals	8,500	8,600	10,000	-100	- 1,500
Fabricated Structural Metals	3,400	3,500	3,800	-100	- 400
Other Fabricated Metals	5,100	5,100	6,200	0	- 1,100
Machinery	14,600	14,600	17,200	0	- 2,600
Electrical Equipment & Supplies	9,300	9,300	10,000	0	- 700
Transportation Equipment	6,800	7,200	8,100	-400	- 1,300
Instruments & Related Products	15,600	15,800	17,300	-200	- 1,700
Miscellaneous Manufacturing	2,200	2,200	2,500	0	- 300
Nondurable Goods	49,300	49,000	49,700	300	- 400
Food & Kindred Products	20,600	20,100	20,500	500	100
Canning & Preserving	10,600	10,200	10,500	400	100
Other Food Products	10,000	9,900	10,000	100	0
Textile Mill Products	1,600	1,600	1,800	0	- 200
Apparel	2,700	2,700	2,600	0	100
Paper & Allied Products	9,200	9,300	9,800	-100	- 600
Printing & Publishing	10,000	10,100	10,000	-100	0
Chemicals & Allied Products	2,000	2,000	2,100	0	- 100
Petroleum Refining	400	400	400	0	0
Rubber & Plastic Products	2,500	2,500	2,200	0	300
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Feb. 1983	Jan. 1983	Feb. 1982	Change From Jan. 1983	Change From Feb. 1982
(cont.)					
Total Nonmanufacturing	757,100	756,600	772,200	500	-15,100
Mining & Quarrying	1,100	1,000	1,800	100	- 700
Construction	23,400	25,200	27,100	-1,800	- 3,700
Transportation, Communications, & Utilities	55,700	55,500	56,600	200	- 900
Transportation	31,700	31,500	31,300	200	400
Railroad	5,500	5,600	6,200	- 100	- 700
Trucking & Warehousing	16,500	16,100	15,100	400	1,400
Other Transportation	9,700	9,800	10,000	- 100	- 300
Communications	15,100	15,100	16,300	0	- 1,200
Utilities	8,900	8,900	9,000	0	- 100
Trade	232,400	232,600	234,000	- 200	- 1,600
Wholesale Trade	59,000	58,800	62,800	200	- 3,800
Durable Goods	34,900	34,600	38,100	300	- 3,200
Nondurable Goods	24,100	24,200	24,700	- 100	- 600
Retail Trade	173,400	173,800	171,200	- 400	2,200
General Merchandise	24,000	24,800	23,200	- 800	800
Food Stores	27,200	26,900	25,900	300	1,300
Auto Dealers & Service Stations	21,100	21,000	21,000	100	100
Other Retail Trade	101,100	101,100	101,100	0	0
Finance, Insurance, & Real Estate	63,300	63,600	64,700	- 300	- 1,400
Banking & Credit Agencies	23,100	23,300	24,200	- 200	- 1,100
Other Finance, Insurance, & Real Estate	40,200	40,300	40,500	- 100	- 300
Services	183,400	182,700	187,100	700	- 3,700
Hotels & Personal Services	20,800	20,800	23,000	0	- 2,200
Health Services	64,600	64,700	64,700	- 100	- 100
Other Services	98,000	97,200	99,400	800	- 1,400
Government	197,800	196,000	200,900	1,800	- 3,100
Federal Government	28,500	28,800	27,000	- 300	1,500
State Government	53,100	52,400	52,400	700	700
Education	22,900	22,500	22,900	400	0
Other State	30,200	29,900	29,500	300	700
Local Government	116,200	114,800	121,500	1,400	- 5,300
Education	74,600	73,000	77,200	1,600	- 2,600
Other Local	41,600	41,800	44,300	- 200	- 2,700
Labor-Management Disputes	0	0	0	0	0

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Weekly hours for both Primary and Fabricated Metals fell in January (37.4 and 38.4). The 37.4 figure for Primary Metals is the lowest level of weekly hours since January 1980. In addition, production worker employment for metals is down 3,500 from year ago levels. Increasing production costs have played a significant role in the curtailment of production activities especially for energy intensive operations. Resilience in the high tech areas of Machinery also has become a bit tarnished as electronic stalwarts attempt to hold the line in meeting stiff competition at home and abroad. This, coupled with declining orders for heavy equipment have meant a 2,000 drop in production worker employment over the year and an $.08 decrease in hourly earnings in the past month.

Average hourly earnings for Nondurable Goods fell $.10 due to sharp declines in Canning & Preserving, Paper and Allied Products, and Printing & Publishing. The drop in earnings for these areas stemmed from less premium pay following the holiday season. Increased maintenance and repack activity served to boost weekly hours in Canning & Preserving by 1.7.

NONMANUFACTURING

An imposing backlog of unsold homes has hampered the prospects of any real improvement in Oregon's Construction industry. In spite of declining interest rates and an apparent recovery starting in the national housing sector, the results have been all but lost on this State's construction workers. Production worker employment fell almost 1,400 over the month and is now 4,600 below year ago levels. The employment losses far outweigh the small gains made in weekly hours (.5). Continued reductions in nonsupervisory employes (-5,800) following the holiday season were experienced in the Trade work force. Since most of those hires were lower paid temporary workers, their departure served to boost average hourly earnings by $.18. Less business activity also pushed weekly hours downward 1.3. Retail Trade posted a 2.3 loss in weekly hours because of seasonal declines. On a positive note, Wholesale Trade gained .6 in weekly hours as wholesalers of building materials move to fortify inventories in anticipation of more business as the year progresses. The increase in weekly hours for Wholesale Trade was the first such December to January increase since 1969-70.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jan.2/ 1983	Dec.3/ 1982	Jan. 1982	Jan.2/ 1983	Dec.3/ 1982	Jan. 1982	Jan.2/ 1983	Dec.3/ 1982	Jan. 1982
TOTAL MANUFACTURING 4/	$392.81	393.40	366.75	38.1	37.9	37.5	10.31	10.38	9.78
Durable Goods	405.69	408.00	372.24	38.6	38.6	37.6	10.51	10.57	9.90
Lumber & Wood Products	420.12	416.62	370.69	38.9	38.9	36.2	10.80	10.71	10.24
Logging & Sawmills	456.11	447.33	396.76	39.8	39.0	36.4	11.46	11.47	10.90
Veneer & Plywood	412.11	419.63	374.17	38.3	39.7	36.9	10.76	10.57	10.14
Millwork & Struct Wood	306.45	308.47	299.27	37.1	37.3	36.1	8.26	8.27	8.29
Mobile Homes	271.17	272.57	244.82	34.9	34.9	33.4	7.77	7.81	7.33
Other Wood Products	400.40	406.11	316.85	38.5	39.2	32.8	10.40	10.36	9.66
Furniture & Fixtures	228.62	232.98	204.43	32.8	33.0	27.7	6.97	7.06	7.38
Primary Metals	479.47	489.16	498.17	37.4	40.9	40.7	12.82	11.96	12.24
Fabricated Metals	388.61	409.36	355.50	38.4	41.1	37.5	10.12	9.96	9.48
Machinery	400.75	399.48	376.46	37.7	37.3	37.2	10.63	10.71	10.12
Nondurable Goods	357.83	357.56	349.11	36.7	36.3	37.1	9.75	9.85	9.41
Food & Kindred Prod	296.01	292.92	309.51	34.5	33.4	36.2	8.58	8.77	8.55
Canning & Preserving	223.25	220.08	249.36	31.4	29.7	34.3	7.11	7.41	7.27
Other Food Products	395.76	408.33	386.61	38.8	39.3	38.7	10.20	10.39	9.99
Textile Mill Products	206.84	208.58	201.83	35.6	35.9	36.3	5.81	5.81	5.56
Apparel	196.54	214.18	180.23	35.8	38.8	34.2	5.49	5.52	5.27
Paper & Allied Products	539.75	551.17	484.10	42.3	42.3	41.2	12.76	13.03	11.75
Printing & Publishing	372.73	387.24	365.39	34.9	35.3	34.7	10.68	10.97	10.53
Construction 4/	525.27	519.17	483.53	31.7	31.2	30.7	16.57	16.64	15.75
Communications & Utilities 5/	447.72	457.41	410.96	39.0	39.5	38.3	11.48	11.58	10.73
Trade 5/	270.91	275.31	269.94	33.2	34.5	33.7	8.16	7.98	8.01
Wholesale Trade	365.63	359.78	371.89	37.5	36.9	38.3	9.75	9.75	9.71
Retail Trade	222.89	233.43	214.97	31.0	33.3	31.2	7.19	7.01	6.89
Banking & Insurance	254.85	252.10	234.45						
State & Local Government	307.39	311.90	293.38						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

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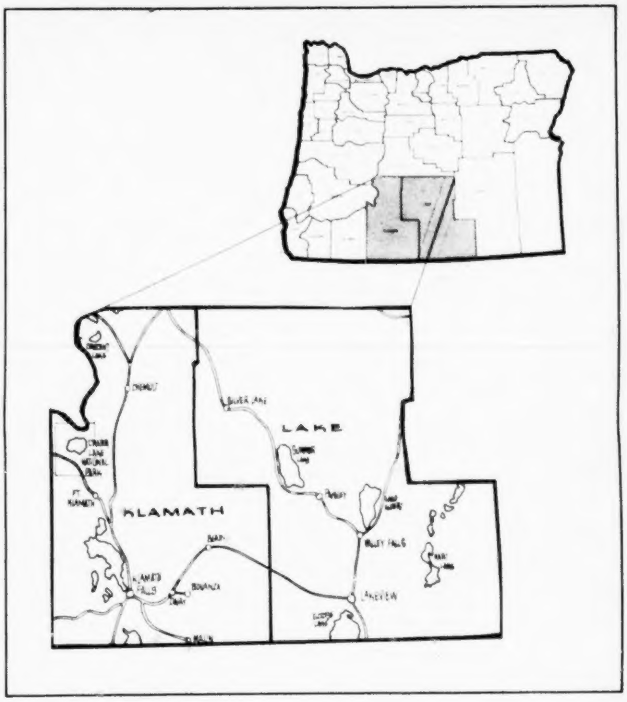
KLAMATH AND LAKE COUNTY PROFILE

Klamath and Lake counties, in south-central Oregon, had a 1982 population of 66,825. In this relatively sparse populated area, 2.5% of Oregon's population occupies 14.9% of the state's total land area. Its major population center, Klamath Falls (1982 pop. = 17,100) has an urban area population of 44,600 according to the 1980 census.

Although Lake County is heavily dependent on the lumber and wood products industry, it has experienced limited effects from the current recession. This is rather surprising considering the area's relative isolation, the small size of local mills, and the stiff competition for available timber in the late 1970s. However, mills in Lakeview and Paisley are the beneficiaries of a rather unique situation. The Lakeview Cutting Circle reserves a certain portion of the Fremont National Forest for local mills. Free from outside competition, bid prices for federal timber have generally remained substantially below those in other areas, affording local mills a competitive advantage during the current recession. The cutting circle concept is a provision of federal law and it is somewhat surprising that other communities economically dependent on lumber and wood products have not attempted to afford themselves the protection of timber resources provided by a cutting circle. Government employment is also a major economic element. Lakeview is the headquarters for the Fremont National Forest, as well as a BLM regional office. Agriculture is the third element in the local economy. Most of the county's land area is given over to livestock grazing, particularly beef cattle. Irrigated land in the vicinity of Lakeview, Paisley and Christmas Valley is largely devoted to hay production plus some grain and seed.

Klamath County is one of Oregon's major timber counties, and the nation's leading producer of Ponderosa pine lumber. Served by three railroads, Klamath Falls is a road and rail transportation center. Government employment is boosted by the presence of Oregon Institute of Technology, the headquarters of Winema National Forest and the National Park Service staff of Crater Lake, Oregon's only national park. The half million annual visitors to Crater Lake, together with those drawn to other county attractions, along with heavy through traffic along U.S. Highway 97, provide a major boost to summer business activity. The Klamath Basin is a major producer of potatoes, hay and grain. Extensize grazing lands support a large beef cattle industry, as well as sheep and dairy products.

In 1980, the combined effects of the slump in the lumber and wood products market and the closure of Kingsley Field constituted a major setback for the local economy. Over the intervening period, construction activity has fallen off, transportation employment declined and the county is experiencing a net out-migration of population. The past year has seen declines in employment in government as well as the local business community.



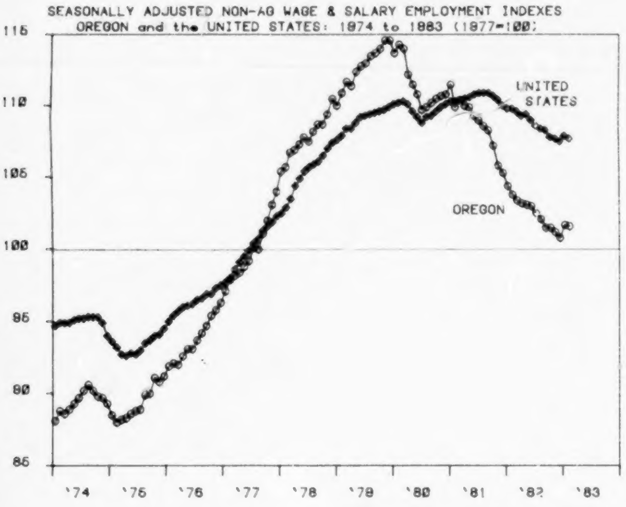
As the period of recession and reduced income in basic industries has lengthened, the number of business failures has risen. Employment in lumber and wood products has risen this winter, and continued recovery is likely this spring. The short-term outlook is for continuing economic problems, but the economy will recover and 1983, hopefully, will see a further lowering of interest rates and a substantial upswing in housing construction. Local efforts to promote industrial diversification have shown promise, particularly in the field of electronics, and a general economic recovery should produce further expansion. The latter half of the 1980s holds promise for substantial economic and population growth in Klamath County.

While lumber and wood products and agriculture will always play a major economic role locally, the prospect for continuing industrial diversification appears highly promising in view of the county's assets. These assets include: lower living costs and resultant lower labor costs than those in major metropolitan areas; a central location in the Pacific coastal region and excellent rail, highway, and air access to major urban centers to the north and south; abundant water, power and land suitable for industrial development; a high degree of liveability with a largely untapped recreation potential; the presence of an educational institution, OIT, geared to technological education; remaining potential for secondary manufacturing related to existing forest and agricultural resources; and an existing urban area of some 45,000 population and a market area of roughly 60,000 persons.□

A GOOD ECONOMIC INDICATOR WITH A LONG NAME

The economic indicator with the cumbersome handle - the Nonagricultural Wage and Salary Employment Index - is shown in the following graph. We present this indicator with each newsletter because it compliments the unemployment rates by showing the direction of Oregon and National employment trends.

Nearly all of Oregon's nonfarm employers regularly report to us their numbers of wage and salary employees on a quarterly basis. Many also send us monthly reports. Because of this wide participation, the nonagricultural wage and salary employment estimates merit a high degree of confidence.



The employment estimates are seasonally adjusted by industry and then the results are aggregated. This allows the numbers to reveal overall trends that otherwise tend to be masked by seasonal fluctuations. For example, Oregon employment has always increased from January to June, even in recessions. If, in the first half of 1983, jobs increase by less than the normal seasonal gain, the seasonally adjusted index will fall; if they increase by more than normal the index will rise.

These seasonally adjusted numbers are converted into an index, so that local, state and national trends can be compared. The math jargon "1977 = 100" means that the numbers are "indexed" by dividing them by the 1977 annual average employment.

In a nutshell, this graph shows that: Oregon's employment rose rapidly from its recovery after the 1975 recession until the end of 1979. It suffered a sharp drop during the first half of 1980 and recovered a bit in the second half. Then it plummeted throughout 1981 and 1982.

The graph shows clearly that our state has lost over 12% of her nonfarm wage and salary jobs in the past three years. For the past few months our employment has been fairly level after a long slide.

The National employment course was similar to Oregon's from 1974 through 1979, though its ascent was not as steep. A downturn occurred in the first half of 1980, but it was followed by a year of shallow recovery in jobs. National employment then fell steadily and fairly slowly from the fall of 1981 through the end of 1982. Like Oregon's employment trend, it may be leveling in the first months of 1983.

The Wage and Salary Employment Index is considered a strong coincident indicator. One may not be very confident that a recovery is in progress until this indicator is moving upward.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

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OREGON RESIDENT RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1981 1/

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,337.0	1,306.0	1,307.8	1,325.9	1,331.9	1,342.8	1,368.6	1,353.1	1,343.5	1,352.9	1,343.7	1,330.8	1,337.2
UNEMPLOYMENT	132.0	131.1	138.5	134.3	129.6	124.7	128.7	121.5	122.2	120.4	128.9	143.9	160.2
Percent of Labor Force	9.9	10.0	10.6	10.1	9.7	9.3	9.4	9.0	9.1	8.9	9.6	10.8	12.0
Seasonally Adjusted Percent	9.9	8.6	9.3	9.2	9.2	9.2	9.5	9.6	10.0	10.3	10.9	11.2	11.8
TOTAL EMPLOYMENT	1,205.0	1,174.9	1,169.3	1,191.6	1,202.3	1,218.1	1,239.9	1,231.6	1,221.3	1,232.5	1,214.8	1,186.9	1,177.0

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1981 2/ **

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL WAGE AND SALARY	1,018.4	1,020.4	1,007.7	1,020.9	1,023.3	1,029.2	1,038.9	1,017.8	1,019.1	1,033.4	1,020.4	1,001.3	992.3
Wage & Salary Empl. Index (1977=100)	108.8	111.5	109.9	110.4	110.0	109.9	109.3	109.0	108.6	108.3	107.2	105.8	105.3
MANUFACTURING, TOTAL	202.7	203.2	194.8	201.3	201.8	203.2	206.0	211.0	212.6	213.2	204.0	194.0	188.8
Durable Goods	148.4	151.6	143.7	150.4	150.6	151.4	151.7	152.8	152.9	152.0	145.5	139.5	136.2
Lumber & Wood Products	63.8	65.1	65.0	63.9	64.4	65.7	67.1	68.4	67.8	65.8	60.8	56.4	53.6
Logging & Sawmills	33.0	32.8	33.0	32.4	32.4	33.5	34.7	36.5	36.0	34.6	32.4	29.7	27.6
Veneer & Plywood	19.0	20.3	19.9	19.3	20.0	20.1	20.3	19.8	19.4	18.8	17.0	16.2	16.2
Millwork & Structural Wood	6.1	6.6	6.4	6.5	6.2	6.2	6.3	6.3	6.4	6.4	5.7	5.3	4.8
Mobile Homes	1.9	1.7	2.0	2.0	2.1	2.1	2.0	1.9	2.1	2.1	1.9	1.6	1.5
Other Wood Products	3.8	3.7	3.7	3.7	3.7	3.8	3.8	3.9	3.9	3.9	3.8	3.6	3.5
Furniture & Fixtures	2.5	2.4	2.5	2.5	2.6	2.6	2.6	2.4	2.4	2.5	2.5	2.4	2.4
Stone, Clay, Glass & Concrete Prod.	3.9	3.7	3.7	3.8	3.9	3.9	4.0	4.0	4.2	4.2	4.0	3.7	3.4
Primary Metals	10.2	10.6	10.6	10.6	10.3	10.4	10.2	10.1	10.1	10.1	9.9	9.6	9.6
Blast Furnaces, Iron & Steel Found.	5.8	6.2	6.2	6.2	5.9	6.0	5.8	5.7	5.6	5.6	5.5	5.4	5.4
Nonferrous Metals	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.5	4.5	4.4	4.2	4.2
Fabricated Metals	11.2	11.5	10.9	11.0	10.9	10.8	10.8	11.1	11.4	11.5	11.7	11.2	11.2
Fabricated Structural Metals	4.4	4.5	4.4	4.4	4.3	4.2	4.2	4.3	4.4	4.4	4.4	4.5	4.6
Other Fabricated Metals	6.8	7.0	6.5	6.6	6.6	6.6	6.6	6.8	7.0	7.1	7.3	6.7	6.6
Machinery	18.0	17.5	17.5	17.7	17.7	17.9	18.2	18.7	18.6	18.5	18.1	17.8	17.6
Electrical Equipment & Supplies	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.1	10.3	10.3	9.6	9.6	10.2
Transportation Equipment	8.9	9.7	9.8	9.9	10.0	9.6	7.9	7.5	7.7	8.8	9.0	8.8	8.2
Instruments & Related Products	17.4	18.8	11.4	18.7	18.4	18.1	18.4	17.9	17.8	17.7	17.3	17.3	17.2
Miscellaneous Manufacturing	2.5	2.3	2.3	2.3	2.4	2.4	2.5	2.6	2.6	2.6	2.6	2.7	2.8
Nondurable Goods	54.3	51.6	51.1	50.9	51.2	51.8	54.3	58.2	59.7	61.2	58.5	54.5	52.6
Food & Kindred Products	23.8	21.2	21.1	20.4	20.7	20.9	23.1	26.9	28.4	29.9	27.9	23.9	22.1
Canning and Preserving	13.4	11.0	11.0	10.5	10.7	10.8	12.7	16.3	17.6	19.1	16.9	13.1	11.4
Other Food Products	10.4	10.2	10.1	9.9	10.0	10.1	10.4	10.6	10.8	10.8	11.0	10.8	10.7
Textile Mill Products	1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.8	1.9	1.9
Apparel	2.8	2.7	2.7	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.8	2.8	2.7
Paper & Allied Products	10.3	10.2	10.1	10.2	10.2	10.3	10.6	10.7	10.5	10.5	10.2	10.2	10.1
Printing & Publishing	10.2	10.1	10.0	10.1	10.2	10.3	10.3	10.3	10.4	10.4	10.3	10.3	10.4
Chemicals & Allied Products	2.2	2.2	2.2	2.3	2.2	2.3	2.3	2.3	2.3	2.2	2.3	2.2	2.2
Petroleum Refining	0.5	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Rubber & Plastic Products	2.4	2.4	2.3	2.4	2.4	2.5	2.5	2.5	2.5	2.6	2.4	2.4	2.4
Leather Products	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3

1981 Cont.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
ONMANUFACTURING, TOTAL	815.7	817.2	812.9	819.6	821.5	826.0	832.9	806.8	806.5	820.2	816.4	807.3	803.5
Mining & Quarrying	2.2	1.9	1.9	2.0	2.0	2.1	2.2	2.5	2.6	2.5	2.3	2.1	1.9
Construction	37.5	38.6	36.7	37.2	36.4	37.9	39.0	40.5	39.6	39.2	38.1	35.0	32.4
Transp., Comm. & Utilities	59.3	59.5	59.0	58.9	59.1	59.2	60.3	60.0	60.2	60.7	59.4	58.9	58.3
Transportation	34.1	34.4	33.9	33.9	34.0	34.1	35.0	34.6	34.7	35.1	34.1	33.6	32.9
Railroad	6.9	7.1	7.0	7.0	7.1	7.1	7.1	7.1	7.0	6.9	6.7	6.6	6.5
Trucking & Warehousing	16.8	16.7	16.5	16.4	16.3	16.5	17.3	17.3	17.5	17.5	17.2	16.8	16.3
Other Transportation	10.4	10.6	10.4	10.5	10.6	10.5	10.6	10.2	10.2	10.7	10.2	10.2	10.1
Communications	16.1	16.1	16.1	15.9	16.1	16.1	16.1	16.1	16.2	16.4	16.2	16.2	16.3
Utilities	9.1	9.0	9.0	9.1	9.0	9.0	9.2	9.3	9.3	9.2	9.1	9.1	9.1
Trade	253.5	253.6	247.0	250.1	252.3	254.1	256.4	255.4	256.9	258.9	252.0	251.4	252.2
Wholesale Trade	67.0	66.7	66.2	66.5	66.2	66.5	67.1	67.4	68.1	69.3	67.7	66.2	65.3
Durable Goods	40.9	41.2	41.1	41.2	41.1	41.3	41.6	41.4	41.2	40.9	40.2	39.7	39.3
Nondurable Goods	26.1	25.5	25.1	25.3	25.1	25.2	25.5	26.0	26.9	28.4	27.5	26.5	26.0
Retail Trade	186.5	186.9	180.8	183.6	186.1	187.6	189.3	188.0	188.8	189.6	184.3	185.2	186.9
General Merchandise	24.9	25.7	24.5	24.4	24.4	24.4	24.4	24.7	24.8	24.7	24.4	25.3	26.9
Food Stores	26.9	26.0	25.9	26.1	26.3	26.5	26.9	27.4	27.7	28.0	27.0	27.3	27.4
Auto Dealers & Services Stations	22.8	22.7	22.4	22.6	23.1	23.1	23.4	23.4	23.4	23.2	22.6	22.1	21.6
Other Retail Trade	111.9	112.5	108.0	110.5	112.3	113.6	114.6	112.5	112.9	113.7	110.3	110.5	111.0
Finance Ins. & Real Estate	68.5	68.5	68.6	69.0	68.7	69.0	69.5	69.5	69.2	68.8	67.8	67.0	66.8
Banking & Credit Agencies	25.1	25.2	25.2	25.3	25.3	25.3	25.3	25.4	25.4	25.3	24.9	24.7	24.7
Other Finance Ins. & Real Estate	43.4	43.3	43.4	43.7	43.4	43.7	44.2	44.1	43.8	43.5	42.9	42.3	42.1
Services	192.1	189.5	191.7	193.6	193.9	193.3	194.4	193.6	192.9	193.8	191.1	189.2	189.7
Hotels & Personal Services	24.3	23.8	24.0	24.4	24.9	24.4	25.1	25.1	25.5	25.2	24.1	23.0	22.7
Health Services	64.5	63.1	63.4	63.6	63.7	64.0	64.4	65.1	65.3	65.6	65.5	65.5	65.5
Other Services	103.3	102.6	104.3	105.6	105.3	104.9	104.9	103.4	102.1	103.0	101.5	100.7	101.5
Government	202.6	205.6	208.0	208.8	209.1	210.4	211.1	185.3	185.1	196.3	205.7	203.7	202.2
Federal	29.5	28.4	28.2	28.2	28.9	29.6	30.3	31.7	31.6	30.7	29.5	28.9	28.4
State Government	53.1	54.6	55.2	55.7	54.8	54.6	55.3	50.2	50.5	49.9	53.5	51.1	51.7
Education	22.5	23.6	24.0	24.1	23.6	23.5	24.0	19.4	19.2	19.0	23.1	23.4	22.7
Other State	30.6	31.0	31.2	31.6	31.2	31.1	31.3	30.8	31.3	30.9	30.4	27.7	29.0
Local Government	120.0	122.6	124.6	124.9	125.4	126.2	125.5	103.4	103.0	115.7	122.7	123.7	122.1
Education	73.5	76.5	78.5	78.7	78.8	79.5	77.6	55.7	55.1	68.9	77.4	78.5	77.2
Other Local	46.5	46.1	46.1	46.2	46.6	46.7	47.9	47.7	47.9	46.8	45.3	45.2	44.9
ABOR-MANAGEMENT DISPUTES	0.3	.1	.6	.5	.3	.2	.3	.3	.5	.5	.1	.1	.1

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

3/ Total nonagricultural wage and salary employment seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

tate of Oregon
MPLOYMENT DIVISION
epartment of Human Resources

Research and Statistics
March 1982 Benchmark
March 1983 (Rev.)

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1982 1/

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
IVILIAN LABOR FORCE	1,316.0	1,297.8	1,304.5	1,314.1	1,318.2	1,330.0	1,352.0	1,330.8	1,317.9	1,318.3	1,308.7	1,304.5	1,295.3
UNEMPLOYMENT	152.0	164.2	168.0	167.1	161.7	155.9	150.9	142.8	141.0	135.3	135.0	149.1	153.1
Percent of Labor Force 4/	11.5	12.7	12.9	12.7	12.3	11.7	11.2	10.7	10.7	10.3	10.3	11.4	11.8
Seasonally Adjusted Percent		11.0	11.4	11.7	11.6	11.7	11.3	11.4	11.7	11.8	11.6	11.9	11.6
TOTAL EMPLOYMENT	1,164.0	1,133.6	1,136.5	1,147.0	1,156.5	1,174.1	1,201.1	1,188.0	1,176.9	1,183.0	1,173.7	1,155.4	1,142.2

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1982 2/ **

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
OTAL WAGE AND SALARY	960.8	956.6	953.8	956.8	960.0	965.8	978.5	956.9	957.5	967.7	966.6	957.6	950.2
Wage & Salary Empl. Index (1977=100) 3/	102.6	104.4	103.8	103.4	103.2	103.1	103.0	102.5	102.1	101.5	101.5	101.2	100.8
MANUFACTURING, TOTAL	185.6	181.7	181.6	181.3	180.9	182.8	186.3	190.4	193.6	194.4	190.0	184.2	180.0
Durable Goods	132.4	131.8	131.9	132.1	131.8	133.0	134.6	134.2	134.5	134.7	131.9	129.8	128.6
Lumber & Wood Products	55.5	51.7	52.4	52.4	53.2	54.8	57.4	57.1	58.1	58.3	57.2	57.3	56.3
Logging & Sawmills	28.8	25.9	26.8	26.7	27.2	28.3	30.1	30.9	30.8	31.0	29.9	29.4	28.4
Veneer & Plywood	16.8	16.2	16.1	16.1	16.2	16.6	17.2	16.5	17.2	17.2	17.3	17.5	17.8
Millwork & Structural Wood	5.3	5.0	4.9	4.9	5.1	5.3	5.4	5.3	5.5	5.5	5.3	5.7	5.6
Mobile Homes	1.4	1.3	1.4	1.4	1.4	1.3	1.3	1.4	1.5	1.4	1.5	1.5	1.4
Other Wood Products	3.2	3.3	3.2	3.3	3.3	3.3	3.4	3.0	3.1	3.2	3.2	3.2	3.1
Furniture & Fixtures	2.4	2.2	2.1	2.2	2.2	2.2	2.3	2.3	2.4	2.6	2.7	2.7	2.5
Stone, Clay, Glass & Concrete Prod.	3.4	3.1	3.1	3.2	3.3	3.5	3.6	3.6	3.6	3.6	3.5	3.3	3.0
Primary Metals	8.0	9.2	9.2	9.1	8.8	8.4	8.0	7.9	7.5	7.5	7.0	6.9	7.0
Blast Furnaces, Iron & Steel Found.	4.4	5.1	5.1	5.1	4.8	4.6	4.2	4.2	4.1	4.1	3.9	3.9	3.9
Nonferrous Metals	3.6	4.1	4.1	4.0	4.0	3.8	3.8	3.7	3.4	3.4	3.1	3.0	3.1
Fabricated Metals	9.4	10.4	10.0	10.0	9.6	9.4	9.5	9.1	9.2	9.3	9.0	8.8	8.9
Fabricated Structural Metals	3.7	4.1	3.8	3.8	3.6	3.5	3.7	3.7	3.7	3.8	3.7	3.6	3.7
Other Fabricated Metals	5.7	6.3	6.2	6.2	6.0	5.9	5.8	5.4	5.5	5.5	5.3	5.2	5.2
Machinery	16.5	17.4	17.2	17.3	17.2	16.9	16.9	16.5	16.5	16.1	15.8	15.5	15.1
Electrical Equipment & Supplies	10.0	10.0	10.0	10.0	10.1	10.1	10.1	10.2	10.1	10.0	10.0	9.5	9.4
Transportation Equipment	8.0	8.1	8.1	8.1	8.0	8.4	7.5	8.0	7.7	8.2	8.0	7.4	8.2
Instruments & Related Products	16.8	17.2	17.3	17.3	16.9	16.9	16.9	17.0	17.0	16.7	16.3	16.0	15.9
Miscellaneous Manufacturing	2.4	2.5	2.5	2.5	2.5	2.4	2.4	2.5	2.4	2.4	2.4	2.4	2.3
Nondurable Goods	53.2	49.9	49.7	49.2	49.1	49.8	51.7	56.2	59.1	59.7	58.1	54.4	51.4
Food & Kindred Products	23.7	20.3	20.5	19.7	19.7	20.2	21.8	27.1	29.3	30.5	28.6	25.3	22.2
Canning and Preserving	13.5	10.1	10.5	9.8	9.9	10.1	11.5	16.6	19.1	20.1	18.0	14.8	11.9
Other Food Products	10.2	10.2	10.0	9.9	9.8	10.1	10.3	10.5	10.2	10.4	10.6	10.5	10.3
Textile Mill Products	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.6	1.8	1.8	1.8	1.7	1.8
Apparel	2.7	2.7	2.6	2.6	2.7	2.8	2.8	2.4	2.8	2.7	2.7	2.6	2.6
Paper & Allied Products	9.7	10.0	9.8	9.8	9.7	9.7	9.8	9.6	9.8	9.4	9.5	9.4	9.5
Printing & Publishing	10.1	10.1	10.0	10.1	10.0	10.0	10.1	10.1	10.1	10.1	10.3	10.2	10.1
Chemicals & Allied Products	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.0	2.1
Petroleum Refining	0.5	.5	.4	.4	.4	.4	.5	.5	.5	.5	.5	.5	.4
Rubber & Plastic Products	2.3	2.2	2.2	2.3	2.3	2.4	2.4	2.4	2.4	2.3	2.3	2.4	2.4
Leather Products	0.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3

982 Cont.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NMANUFACTURING, TOTAL	775.2	774.9	772.2	775.5	779.1	783.0	792.2	766.5	763.9	773.3	776.6	773.4	770.2
ining & Quarrying	1.8	1.8	1.8	1.8	1.7	1.9	1.9	1.9	2.1	2.1	1.9	1.5	1.2
Construction	29.6	27.3	27.1	27.3	27.7	29.5	31.8	32.4	32.5	33.2	30.6	29.0	26.4
Transp., Comm. & Utilities	56.7	56.8	56.6	56.3	56.4	56.7	57.2	57.1	56.8	56.9	56.9	56.6	56.7
Transportation	31.8	31.6	31.3	31.2	31.4	31.7	32.2	32.1	31.9	32.1	32.3	32.1	32.3
Railroad	6.1	6.3	6.2	6.2	6.3	6.3	6.2	6.1	6.0	5.9	5.9	5.8	5.7
Trucking & Warehousing	15.9	15.2	15.1	15.1	15.2	15.5	16.2	16.4	16.5	16.4	16.5	16.3	16.7
Other Transportation	9.8	10.1	10.0	9.9	9.9	9.9	9.8	9.6	9.4	9.8	9.9	10.0	9.9
Communications	15.9	16.2	16.3	16.1	16.0	16.0	16.0	15.9	15.9	15.8	15.7	15.6	15.4
Utilities	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.1	9.0	9.0	8.9	8.9	9.0
Trade	238.9	238.0	234.0	234.9	235.4	237.3	240.6	241.5	241.8	241.7	239.3	240.3	242.1
Wholesale Trade	62.0	63.3	62.8	62.5	62.8	62.3	62.6	62.6	62.3	61.8	60.9	60.2	59.5
Durable Goods	36.9	38.4	38.1	37.9	37.8	37.4	37.4	36.9	36.6	36.1	35.6	35.4	35.0
Nondurable Goods	25.1	24.9	24.7	24.6	25.0	24.9	25.2	25.7	25.7	25.7	25.3	24.8	24.5
Retail Trade	176.9	174.7	171.2	172.4	172.6	175.0	178.0	178.9	179.5	179.9	178.4	180.1	182.6
General Merchandise	23.9	24.7	23.2	22.9	23.0	22.8	23.1	23.5	23.6	23.4	24.0	25.4	27.1
Food Stores	26.6	26.1	25.9	25.8	25.6	26.1	26.7	27.5	27.1	26.8	26.7	27.0	27.8
Auto Dealers & Services Stations	21.4	21.1	21.0	21.2	21.5	21.7	21.8	21.6	21.6	21.5	21.4	21.4	21.1
Other Retail Trade	105.0	102.8	101.1	102.5	102.5	104.4	106.4	106.3	107.2	108.2	106.3	106.3	106.6
Finance Ins. & Real Estate	65.0	65.3	64.7	65.1	65.7	65.5	65.8	65.8	65.4	64.5	64.2	63.9	63.8
Banking & Credit Agencies	23.8	24.4	24.2	24.1	24.2	24.0	23.9	23.8	23.7	23.5	23.3	23.3	23.3
Other Finance Ins. & Real Estate	41.2	40.9	40.5	41.0	41.5	41.5	41.9	42.0	41.7	41.0	40.9	40.6	40.5
Services	187.5	186.1	187.1	188.6	189.5	188.6	190.2	188.3	187.7	187.8	186.9	184.5	184.4
Hotels & Personal Services	22.6	22.8	23.0	23.2	23.4	23.3	23.5	23.1	22.9	22.6	21.8	21.1	21.1
Health Services	65.3	64.7	64.7	64.8	65.2	65.3	65.8	65.6	66.1	65.6	65.3	65.1	64.9
Other Services	99.6	98.6	99.4	100.6	100.9	100.0	100.9	99.6	98.7	99.6	99.8	98.3	98.4
Government	195.7	199.6	200.9	201.5	202.7	203.5	204.7	179.5	177.6	187.1	196.8	197.6	195.6
Federal	29.0	27.4	27.0	27.2	28.6	29.4	30.5	30.5	30.3	30.0	29.2	28.7	28.9
State Government	51.1	51.5	52.4	52.5	51.9	52.0	52.5	48.1	48.4	48.6	51.9	51.8	50.5
Education	21.5	22.5	22.9	23.1	22.6	22.6	22.6	18.0	17.6	18.0	22.6	22.8	22.2
Other State	29.6	29.0	29.5	29.4	29.3	29.4	29.9	30.1	30.8	30.6	29.3	29.0	28.3
Local Government	115.6	120.7	121.5	121.8	122.2	122.1	121.7	100.9	98.9	108.5	115.7	117.1	116.2
Education	70.3	76.7	77.2	77.4	77.5	77.1	75.4	53.8	52.5	63.8	72.2	73.6	72.7
Other Local	44.8	44.0	44.3	44.4	44.7	45.0	46.3	47.1	46.4	44.7	43.5	43.5	43.5
BOR-MANAGEMENT DISPUTES	0.1	.1	.0	.0	.1	.3	.5	.1	.1	.0	.1	.1	.0

Data are in thousands

Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

Total nonagricultural wage and salary employment seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

This figure based on unrounded data.

Contains Recycled Materials

5/10/83 S 6615 -2

OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

APRIL 1983

MARCH INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
Mar. '83	11.0	12.2
Feb. '83	11.6	13.1
U.S.		
Mar. '83	10.3	10.8
Feb. '83	10.4	11.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Mar. 1983:	101.5
Feb. 1983:	101.6
Mar. 1982:	103.4
Mar. 1981:	110.4
Mar. 1980:	114.0
Mar. 1979:	111.7

DIFFUSION INDEX

Oregon	
Mar. 1983:	47.7
Feb. 1983:	45.7
Jan. 1983:	44.2
Dec. 1982:	43.8

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Feb. 1983:	38.3
Jan. 1983:	38.1
Feb. 1982:	37.8

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Mar. 1983	284.7
Year Change	- 0.7%
U.S.	
Mar. 1983	293.4
Year Change	3.6%

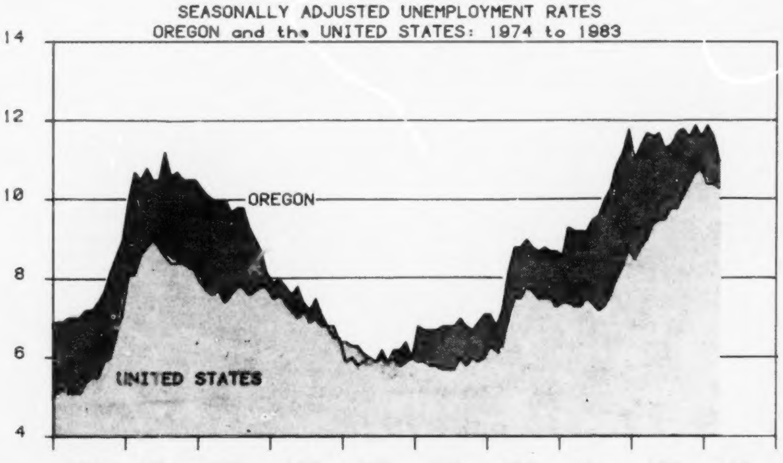
Portland Hotline 221-4132

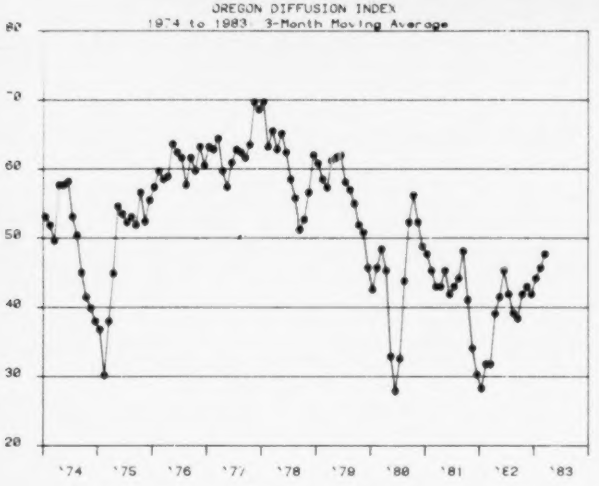
MORE GOOD NEWS

Following months - make that years-of depressing news about Oregon's economy, some good things are beginning to happen. The specter of the recession is beginning to lift and momentum is building for the long perilous journey to recovery. The latest economic indicators for Oregon tell the story.

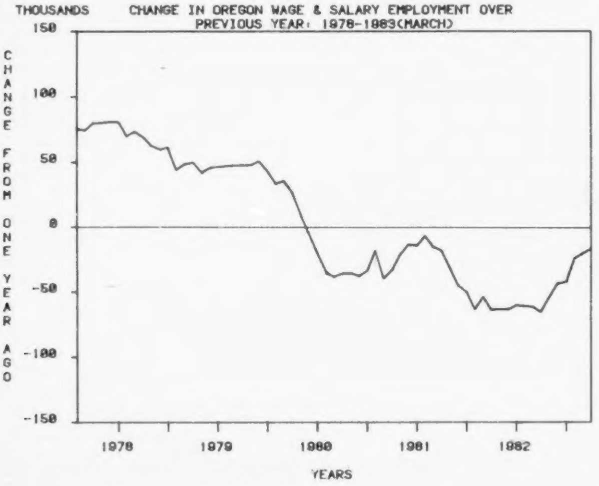
The unemployment rate is probably the most closely watched indicator. Fortunately, the Oregon unemployment rate (seasonally adjusted) went down to 11.0% in March, a drop of .6 from February's 11.6%. Unfortunately, the rate of unemployment is not the best statistic to be reviewing at this stage of the business cycle. That is, the unemployment rate does not always respond quickly to a change for the better in the economy. Indeed, it frequently trails behind in a recovery phase. While we happily accept the rate reduction in March, we must acknowledge the fact that the unemployment rate will remain high (between 11-12%) throughout 1983.

The statistics on those who are working is more revealing. The Oregon Diffusion Index is a measure of the percentage of a selected group of industries showing "improvement" in seasonally adjusted employment. The index, because of literally three years of suppressed economic activity, has little place to go but up. Nevertheless, the Diffusion Index which rose to 47.7 in March has shown a fairly consistent rising trend for an extended period. Keep an eye on the Diffusion Index the next few months - past experience indicates that crossing the 50% line bodes well for better economic times.





Total nonfarm employment, which moved up 6,100 to 939,600 in March, showed little change over the month when normal seasonal hiring patterns are considered. However, over the year comparisons make the March figures look much more favorable. The graph below shows employment for a given month compared to that of the same month a year earlier. In most of 1982 the year ago comparison showed 60,000 fewer workers employed. In recent months that figure has dropped sharply to a March 1983 nonfarm total which was 17,200 below the sum reported in 1982. Watch the year-to-year comparisons, too, for further evidence of an economy turning around.

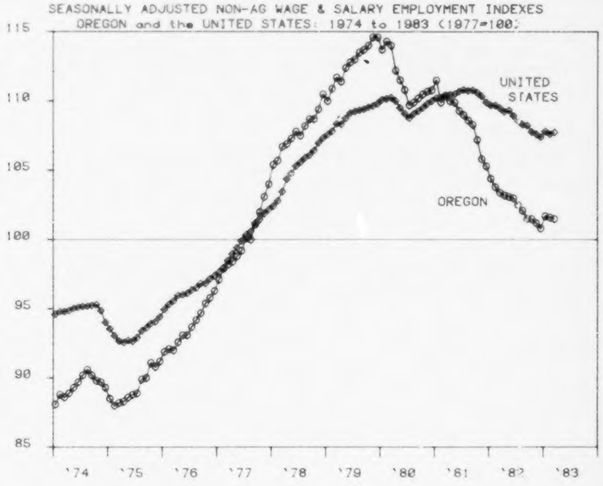


Certainly the high point of the March data was focused on the lumber and wood products sector. Lumber prices held up through the March survey period despite weeks of wet weather, an indication that confidence is spreading throughout the industry. In fact, lumber employment would have shown even greater strength in March had it not been for an early spring thaw which restricted access to the woods and created spot shortages of logs.

The activity in lumber and wood reflects the pickup of building activity in California and the midwest. Proof of that demand is visibly evident in southern Oregon on Interstate 5 where an incessant procession of trucks filled with 2 x 4's, plywood, and other Oregon wood products migrate south across the border.

Also noteworthy in the March employment figures was the addition of 2,300 workers in trade. The bulk of the increase fell, as seasonally expected, in the eating and drinking category. Wholesale trade employers have also been adding workers in preparation for remodeling and home construction work expected this spring.

Construction hiring fell 500 short of the normal seasonal upswing in March. The wet weather was undoubtedly a contributing factor. Nevertheless, construction employment has a long way to go to erase the enormous employment deficit imposed by the recession.



Elsewhere, the March employment figures fell roughly in line with normal hiring patterns and that is pretty good news in itself considering the battering the state's economy has taken the last few years. The hard hit metals and machinery industries showed almost no change over the month, although a current energy surplus has resulted in lower power costs and therefore lower production costs to some major industrial customers.

For one more positive indicator turn to the article titled "Hours and Earnings" showing the trends exhibited in the production employe workweek average.

Certainly one must wonder whether Oregon's economy is truly on the mend. Analysts have emptied the shelves in recent years searching for the proper catalyst that would stimulate a shift towards economic prosperity. The strong emergence of the high technology industries which has broadened the state's industrial base and which in turn strengthened Oregon's resistance to an economic downturn was frequently mentioned. But electronics employers, too, eventually bowed to the weight of the recession. Then there was tourism and the hope for droves of out of state vacationers ready to spend their money. Tourists who, with available and less costly gasoline, would have flocked to this scenic wonderland. But the recession touched the lives of all of us and many security conscious travelers shortened their trips and saved their money. And then there were the Federal tax cuts that were supposed to help prime the economy via consumer spending. But the actual dollars returned to the taxpayers were hardly noticeable and the hope of a consumer led recovery fell flat.

Recovery for Oregon is coming and it will be earned the old fashioned way - through the state's forest products sector. No matter where we look, a major share of Oregon's economic livelihood is still dependent on the wood products industry which represents nearly one-third of the state's manufacturing core. And since Oregon's lumber and wood products industry is dependent on national building activity which in turn relies on interest rates, it is the interest rates that we cannot ignore. Undeniably, interest rates are down and that translates very quickly to "GO" in the lumber industry. At the national level industrial production has increased, housing starts and auto sales are up, and the nation's confidence in the economic climate is rising. Interest rates are the key and as long as they stay down the recovery that is just beginning will continue.□

AREA LABOR ECONOMISTS

You may contact the following labor economists for statewide and local area labor market information.

Oregon Statewide		
Gary Barker	378-8658	Salem
Jeff Hannum	378-8657	Salem
Tom Lynch	378-8656	Salem
Coos, Curry, Jackson, Josephine		
John Anderson	776-6068	Medford
Benton, Linn, Marion, Polk, Yamhill		
Jeff Hannum	378-8657	Salem
Tom McCarty	378-8657	Salem
Earl Fairbanks	378-8657	Salem
Crook, Deschutes, Gilliam, Hood River, Jefferson, Klamath, Lake, Sherman, Wasco, Wheeler		
Mike Mahan	883-5629	Klamath Falls
Douglas, Lane, Lincoln		
Ken Rocco	345-8710 x 45	Eugene
Clackamas, Clatsop, Columbia, Multnomah Tillamook, Washington, Clark		
Al Stoebig	229-5747	Portland
John Stone	229-5746	Portland
Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union, Wallowa		
Bill Street	963-7111	LaGrande

FEBRUARY 1983 UNEMPLOYMENT RATES BY STATE

State	February 1983		February 1982	
	Rank	Rate	Rank	Rate
West Virginia	1	21.0	2	13.1
Michigan	2	16.5	1	16.1
Alabama	3	16.1	3	12.9
Ohio	4	14.5	8	12.2
Pennsylvania	5	14.1	12	11.0
Illinois	6	13.8	20	10.1
Tennessee	7	13.6	7	12.4
Indiana	8	13.2	5	12.7
Oregon	9	13.1	3	12.9
Idaho	10	13.0	10	11.5
Washington	11	12.8	6	12.5
Wisconsin	12	12.7	14	10.7
Alaska	13	12.5	8	12.2
Kentucky	13	12.5	11	11.2
Mississippi	15	12.4	13	10.9
Nevada	15	12.4	23	9.7
Rhode Island	17	12.1	17	10.4
California	18	11.9	24	9.6
Louisiana	19	11.6	30	8.9
South Carolina	19	11.6	18	10.3
Arizona	21	11.3	33	8.3
Missouri	21	11.3	20	10.1
Maine	23	10.9	25	9.5
Wyoming	23	10.9	50	5.2
Iowa	25	10.8	27	9.2
New Mexico	25	10.8	32	8.4
Arkansas	27	10.6	14	10.7
Montana	27	10.6	20	10.1
District of Co	29	10.4	18	10.3
Minnesota	30	10.3	38	7.8
North Carolina	31	10.2	30	8.9
Utah	32	9.9	33	8.3
Colorado	33	9.5	41	7.1
Florida	33	9.5	41	7.1
New York	33	9.5	29	9.0
New Jersey	36	9.1	26	9.3
North Dakota	37	8.9	44	6.7
Maryland	38	8.8	27	9.2
Texas	38	8.8	48	5.8
Oklahoma	40	8.6	51	4.5
Virginia	40	8.6	37	7.9
Georgia	42	8.5	36	8.1
New Hampshire	43	8.4	39	7.4
Connecticut	44	8.3	40	7.3
Delaware	44	8.3	16	10.5
Massachusetts	46	8.2	33	8.3
Vermont	47	8.1	43	7.0
Nebraska	48	7.9	46	6.3
South Dakota	49	7.6	47	6.2
Kansas	50	7.4	49	5.6
Hawaii	51	5.6	45	6.5

RESIDENT OREGON LABOR FORCE

	Mar. 1983 1/	Feb. 1983 2/	Change	% Change	Mar. 1982 5/
Civilian Labor Force 3/	1,327,000	1,317,000	+10,000	+0.8	1,314,100
Unemployment	161,500	172,500	-11,000	-6.4	167,100
Percent of Labor Force	12.2	13.1	xxx	xxx	12.7
Seasonally Adjusted Percent	11.0	11.6	xxx	xxx	11.7
Total Employment 4/	1,165,500	1,144,500	+21,000	+1.8	1,147,000

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Mar. 1983 1/	Feb. 1983 2/	Mar. 1982	Change From Feb. 1983	Change From Mar. 1982
TOTAL 3/	939,600	933,500	956,800	6,100	-17,200
Wage & Salary Employment Index 4/	101.5	101.6	103.4	xxx	xxx
Diffusion Index 5/	47.7	45.7	31.8	xxx	xxx
Total Manufacturing	178,600	176,900	181,300	1,700	- 2,700
Durable Goods	129,600	127,700	132,100	1,900	- 2,500
Lumber & Wood Products	59,400	58,000	52,400	1,400	7,000
Logging & Sawmills	30,500	29,400	26,700	1,100	3,800
Veneer & Plywood	18,200	18,000	16,100	200	2,100
Millwork & Structural Wood	6,000	6,000	4,900	0	1,100
Mobile Homes	1,600	1,500	1,400	100	200
Other Wood Products	3,100	3,100	3,300	0	- 200
Furniture & Fixtures	2,600	2,600	2,200	0	400
Stone, Clay, Glass, & Concrete	3,100	2,900	3,200	200	-100
Primary Metals	7,000	7,000	9,100	0	- 2,100
Blast Furnaces, Iron & Steel	3,800	3,800	5,100	0	- 1,300
Nonferrous Metals	3,200	3,200	4,000	0	-800
Fabricated Metals	8,500	8,600	10,000	-100	- 1,500
Fabricated Structural Metals	3,400	3,500	3,800	-100	- 400
Other Fabricated Metals	5,100	5,100	6,200	0	- 1,100
Machinery	14,600	14,600	17,300	0	- 2,700
Electrical Equipment & Supplies	9,200	9,300	10,000	-100	- 800
Transportation Equipment	7,400	6,800	8,100	600	- 700
Instruments & Related Products	15,500	15,600	17,300	-100	- 1,800
Miscellaneous Manufacturing	2,300	2,300	2,500	0	- 200
Nondurable Goods	49,000	49,200	49,200	-200	- 200
Food & Kindred Products	20,300	20,400	19,700	-100	600
Canning & Preserving	10,600	10,300	9,800	300	800
Other Food Products	9,700	10,100	9,900	-400	- 200
Textile Mill Products	1,600	1,600	1,800	0	- 200
Apparel	2,700	2,700	2,600	0	100
Paper & Allied Products	9,200	9,300	9,800	-100	- 600
Printing & Publishing	10,000	10,000	10,100	0	- 100
Chemicals & Allied Products	2,000	2,000	2,200	0	- 200
Petroleum Refining	500	400	400	100	100
Rubber & Plastic Products	2,400	2,500	2,300	-100	100
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Mar. 1983	Feb. 1983	Mar. 1982	Change From Feb. 1983	Mar. 1982
(cont.)					
Total Nonmanufacturing	761,000	756,600	775,500	4,400	-14,500
Mining & Quarrying	1,200	1,100	1,800	100	- 600
Construction	24,200	23,900	27,300	300	- 3,100
Transportation, Communications, & Utilities	54,900	55,300	56,300	-400	- 1,400
Transportation	31,000	31,400	31,200	-400	- 200
Railroad	5,600	5,600	6,200	0	- 600
Trucking & Warehousing	15,800	16,200	15,100	-400	700
Other Transportation	9,600	9,600	9,900	0	- 300
Communications	15,000	15,000	16,100	0	- 1,100
Utilities	8,900	8,900	9,000	0	- 100
Trade	233,600	231,300	234,900	2,300	- 1,300
Wholesale Trade	59,000	58,900	62,500	100	- 3,500
Durable Goods	35,000	34,900	37,900	100	- 2,900
Nondurable Goods	24,000	24,000	24,600	0	- 600
Retail Trade	174,600	172,400	172,400	2,200	2,200
General Merchandise	23,800	23,700	22,900	100	900
Food Stores	27,000	27,000	25,800	0	1,200
Auto Dealers & Service Stations	21,300	21,000	21,200	300	100
Other Retail Trade	102,500	100,700	102,500	1,800	0
Finance, Insurance, & Real Estate	63,100	63,000	65,100	100	- 2,000
Banking & Credit Agencies	23,400	23,200	24,100	200	- 700
Other Finance, Insurance, & Real Estate	39,700	39,800	41,000	-100	- 1,300
Services	185,400	184,100	188,600	1,300	- 3,200
Hotels & Personal Services	21,100	20,800	23,200	300	- 2,100
Health Services	65,000	65,000	64,800	0	200
Other Services	99,300	98,300	100,600	1,000	- 1,300
Government	198,600	197,900	201,500	700	- 2,900
Federal Government	28,600	28,600	27,200	0	1,400
State Government	52,900	53,000	52,500	-100	400
Education	22,800	22,900	23,100	-100	- 300
Other State	30,100	30,100	29,400	0	700
Local Government	117,100	116,300	121,800	800	- 4,700
Education	75,100	74,700	77,400	400	- 2,300
Other Local	42,000	41,600	44,400	400	- 2,400
Labor-Management Disputes	200	0	0	200	200

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS AND EARNINGS - LONG HEALING PROCESS STARTED

February's manufacturing workweek average for Oregon adds credence to the "slow recovery" theory that is becoming a reality. Hours inched up to 38.3 in February from January's 38.1. Comparison to data from a year earlier (37.8) provides evidence of some noticeable improvement.

As important as the overall change itself is the particular industry responsible for it. Lumber and wood products manufacturers have demonstrated economic improvement not only by hiring or rehiring workers (seasonally adjusted lumber employment has been on the rise the past half year), but also by extending the workweek average. Favorable prices and increased product demand translate to a longer workweek. Indeed, the workweek average of 39.7 is the highest February average weekly hours figure recorded since 1977. Further gratification can be gleaned from the fact that the two largest employing components, logging/sawmills and veneer/plywood, once again exceeded a 40-hour workweek and are substantially above the figures shown a year earlier.

With durable goods hours looking so good, why didn't the overall manufacturing workweek average rise more than just 0.2 hours? It is because nondurable goods took quite a tumble. A drop of 0.9 hours, although significant, is not a cause for alarm. The industry composition is such that nondurable goods is very susceptible to short-term swings in the workweek average. A particularly volatile component is the highly seasonal food processing industry which can swing widely in any given month. Manufacturers of nondurable goods are expected to ride out the recession in comparatively good form. People continue to eat, read newspapers, etc. despite the recession.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb. 2/ 1983	Jan. 3/ 1983	Feb. 1982	Feb. 2/ 1983	Jan. 3/ 1983	Feb. 1982	Feb. 2/ 1983	Jan. 3/ 1983	Feb. 1982
TOTAL MANUFACTURING 4/	$392.96	392.43	369.68	38.3	38.1	37.8	10.26	10.30	9.78
Durable Goods	407.29	405.58	378.86	39.2	38.7	38.0	10.39	10.48	9.97
Lumber & Wood Products	426.38	420.03	380.07	39.7	39.0	36.9	10.74	10.77	10.30
Logging & Sawmills	459.55	456.11	403.65	40.1	39.8	37.1	11.46	11.46	10.88
Veneer & Plywood	424.66	412.16	382.98	40.1	38.7	37.4	10.59	10.65	10.24
Millwork & Struct Wood	313.50	306.45	309.52	38.0	37.1	36.5	8.25	8.26	8.48
Mobile Homes	274.86	271.17	257.21	34.4	34.9	34.9	7.99	7.77	7.37
Other Wood Products	405.47	400.40	342.06	39.1	38.5	35.3	10.37	10.40	9.69
Furniture & Fixtures	243.87	228.72	184.21	34.3	33.1	23.2	7.11	6.91	7.94
Primary Metals	491.10	484.29	496.13	39.1	37.6	40.7	12.56	12.88	12.19
Fabricated Metals	371.00	385.06	361.13	37.1	38.2	37.5	10.00	10.08	9.63
Machinery	403.10	403.26	392.32	38.1	37.9	38.5	10.58	10.64	10.19
Nondurable Goods	352.36	356.85	343.55	35.7	36.6	37.1	9.87	9.75	9.26
Food & Kindred Products	295.48	296.01	302.74	33.2	34.5	36.3	8.90	8.58	8.34
Canning & Preserving	222.01	223.25	249.52	29.8	31.4	34.8	7.45	7.11	7.17
Other Food Products	396.43	395.76	378.46	37.9	38.8	38.5	10.46	10.20	9.83
Textile Mill Products	225.20	206.84	199.65	38.3	35.6	36.7	5.88	5.81	5.44
Apparel	200.39	196.54	181.26	36.5	35.8	34.2	5.49	5.49	5.30
Paper & Allied Products	515.44	534.20	479.40	40.3	41.8	40.8	12.79	12.78	11.75
Printing & Publishing	372.03	372.73	368.89	34.1	34.9	35.3	10.91	10.68	10.45
Construction 4/	532.33	525.27	503.67	31.8	31.7	32.6	16.74	16.57	15.45
Communications & Utilities 5/	441.90	447.72	417.49	38.9	39.0	38.8	11.36	11.48	10.76
Trade 5/	271.21	272.36	276.21	33.4	33.5	34.1	8.12	8.13	8.10
Wholesale Trade	362.78	365.63	373.07	37.4	37.5	38.5	9.70	9.75	9.69
Retail Trade	226.49	224.91	221.20	31.5	31.5	31.6	7.19	7.14	7.00
Banking & Insurance	258.08	254.85	232.82						
State & Local Government	306.15	307.39	291.25						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

The February hourly earnings figure of $10.26 for total manufacturing was slightly below January's $10.30, but for the "right" reasons. Over 1,700 workers were added to the employment rolls, certainly a positive event. However, their addition to the durable goods category suppressed earnings gains elsewhere. Notable among the gainers were food and kindred products, up $.32, due largely to some winter processing and packaging; printing and publishing, up $.23, a result of widespread gains throughout the industry; and furniture, up $.21, in conjunction with additional overtime work.

Just a word of caution to end this otherwise cheery report. Given the positive trends in the workweek average, the report of significant hiring activity in the lumber sector, etc., one might believe the economic balance has shifted from recession to prosperity. It has not. The cuts inflicted by the recession were too deep and too long to allow a quick return to economic health. Oregon is just starting a long healing process aimed towards full recovery. Just starting, however, is a milestone given the economic climate of the last three years.□

INDUSTRIAL CHANGE

This is the first of two articles analyzing Oregon's changing industry structure. This month's article introduces the concept of change and the events that may lead to change.

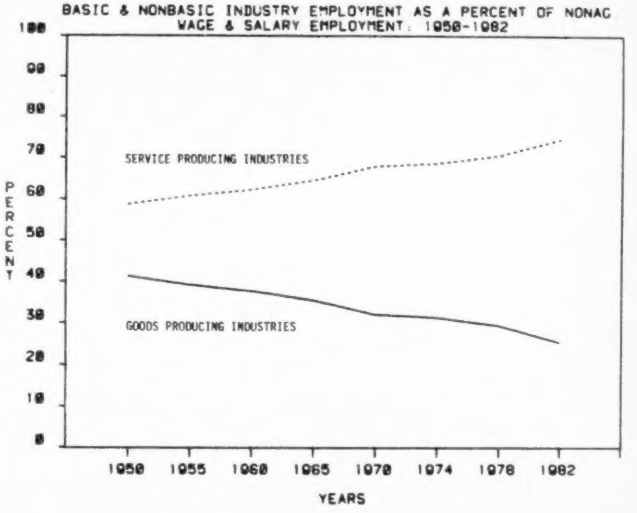
A rising public awareness is evident in the 1980's that social and technological change will materially affect the industrial structure of the state. It is generally agreed that the introduction of new machinery and production processes usually has a direct impact on employment. Such impacts often cause displacement of individual workers and sometimes reduce employment in an industry. There is considerably less awareness, however, that many factors other than technological development also influence the level of employment in specific industries. These may include changes in income and consumption patterns, population change, federal policy and priorities, union-management relationships, the supply of workers, and foreign competition.

The industrial structure of the state in 1983 is a reflection of all of these forces since the end of World War II. Movement from the "Goods Producing" industries (i.e. Manufacturing, Mining and Construction) to the "Service Producing" sectors (i.e., Transportation, Utilities, Trade, Finance, Services, and Government) is illustrated in the following table and graph:

GOODS vs SERVICE PRODUCING EMPLOYMENT
as a Percent of Nonfarm Wage and Salary Employment
(1950-1980)

	Goods	Percent	Service	Percent
1950-1954	170,700	35.2	287,700	64.8
1955-1959	168,500	34.8	315,600	65.2
1960-1964	173,000	32.4	360,400	67.6
1965-1969	202,600	30.9	454,000	69.1
1970-1974	221,700	28.7	551,300	71.3
1975-1979	260,000	26.4	725,100	73.6
1980-1984(p)	235,100	23.6	759,700	76.4

(p) Projected



This table shows the five year average wage and salary employment in the goods and services producing sectors from 1950 through 1980. The drift of the state's economy away from the goods producing industries took place over this 30 year period. In the 1950-1954 period goods producing industries represented over one-third of total nonagricultural wage and salary employment. By the five year period between 1975 - 1979 it had dropped to nearly one-fourth. The dramatic decline occurred even as the total wage and salary employment in the goods producing sector increased over 50 percent during this time. However, the growth in the goods producing sectors was overshadowed by the 58 percent jump in the number of jobs in the service related industries. A shift of this magnitude in the employment shares of the two industry groups occurred because:

- Federal and state policies mandated increased emphasis on social, educational and housing programs.

- Population grew rapidly, more than doubling in the State of Oregon.

- School enrollments more than doubled due to the influx of the World War II "baby boom".

- Spendable incomes rose very strongly encouraging much higher levels of consumer spending.

- Technological advances occurred with increasing rapidity in the 1950's and 1960's with the introduction of computers, integrated circuits, etc.

- Women's labor force participation increased.

Economies such as Oregon's or the nation's show an aging process through changes in their industrial composition. In the early stages of economic development, the concentration of economic activity is largely in agriculture. As the economy develops, the proportion of the labor force in agriculture declines as manufacturing industries come into prominence. Subsequently at higher levels of development the region will experience growth in the service producing sectors at the expense of manufacturing.

Oregon's economy during the growth of manufacturing has been dependent upon increasing national demand for the states commodities. The overwhelming predominence of the national economy must be recognized to understand these industrial changes in the state. The rate of growth of the national economy was the single most important factor determining the level of economic development in Oregon between 1950 and 1980. The prosperity of the state during this period was driven by the export value of Oregon's products to the rest of the nation and the world.

Will this 30 year growth trend continue into the 1980s and 1990s? It is hard to tell at this point because major changes have occurred in the variables that led to the growth between 1950 and 1980. In the long run, the economic viability of the state will depend upon its ability to adapt and change in its industrial configuration to respond to future changes and needs in the national and world economies. The key point that can be made at this time is that the "goods producing" industries will still play a critical role in Oregon's economic health during the rest of this decade. These industries will be the first to react to improvements in the U.S. and world economies - restoring many of the jobs and much of the income lost during 1980-1984.

Next month's issue will examine changes which have occurred in specific industries over the last 30 years.□

1981 COVERED EMPLOYMENT AND PAYROLL DATA NOW AVAILABLE

The annual publication, Oregon Covered Employment and Payrolls, RS Pub 21, is now available for 1981. Tables show employment and payroll data at the four-digit industry level (using federal Standard Industrial Classification codes) for the state and at the two-digit industry level for each of the counties. (Note: quarterly publications were discontinued in 1978). If you have not received a copy and would like to be on our mailing list, please contact;

Oregon Employment Division
Research & Statistics - ES202
875 Union Street, NE
Salem OR 97311
Telephone: 378-8654
(Toll free: 1-800/452-7813, Ext. 8-8654)

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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DEPARTMENT OF HUMAN RESOURCES
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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

May 1983

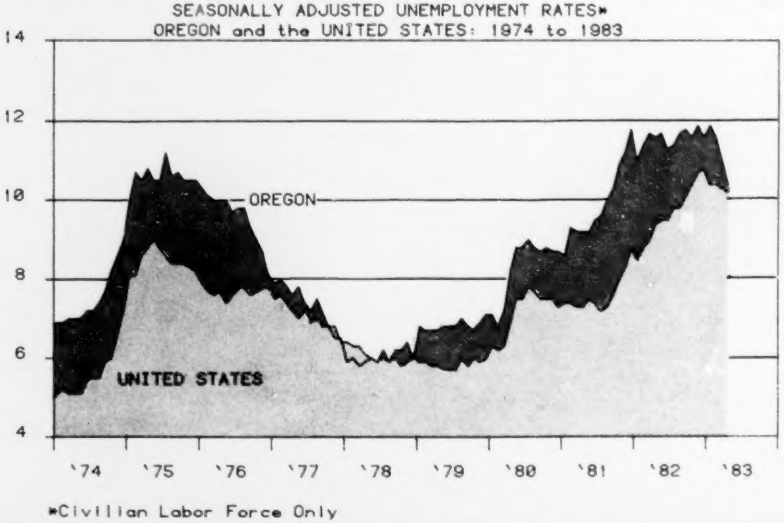
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

ECONOMY ON THE MEND

Oregon's economy, which is closely tied to the national home-building market, seems to be mending as inflation declines and interest rates gradually drop. While the national seasonally adjusted unemployment rate fell by only one-tenth of a percentage point to 10.2%, Oregon duplicated its previous month's performance by dropping six-tenths of a percentage point to 10.4%. This is welcome news and considerably better than April 1982 when the seasonally adjusted rate dropped only one-tenth to 11.6%.

Another bright spot was the diffusion index, sometimes thought of as an index of hiring. April's index rose to 48.1 from 46.9 in March and is a full 9 points above the 39.1 for April of last year. This index, which is the percentage of selected industries showing an increase in seasonally adjusted employment, is considered an important leading economic indicator. As it rises, expectations of economic recovery are more likely to be fulfilled.

Among these positive signs was one note of caution. The wage and salary employment index, which is the ratio of current seasonally adjusted wage and salary employment to the average wage and salary employment of 1977, stayed at 101.4. The index is exactly where it was in March and below the 103.2 of April 1982. This means that the current wage and salary employment is not much higher than it was in 1977. However, the simple fact that the index remained level rather than declining could be a positive sign. Every year since 1979 this index has declined between



*Civilian Labor Force Only

APRIL INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
Apr. '83	10.4	11.2
Mar. '83	11.0	12.2
U.S.		
Apr. '83	10.2	10.0
Mar. '83	10.3	10.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Apr. 1983:	101.4
Mar. 1983:	101.4
Apr. 1982:	103.2
Apr. 1981:	110.0
Apr. 1980:	112.2
Apr. 1979:	111.4

DIFFUSION INDEX

Oregon	
Apr. 1983:	48.1
Mar. 1983:	46.9
Feb. 1983:	45.7
Jan. 1983:	44.2

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Mar. 1983:	38.6
Feb. 1983:	38.3
Mar. 1982:	37.4

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
Mar. 1983	284.7
Year Change	- 0.7%
U.S.	
Apr. 1983	295.5
Year Change	3.9%
Portland Hotline	221-4132

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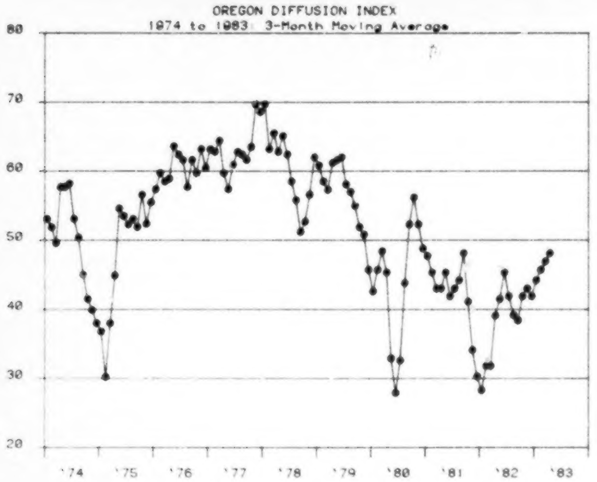


March and April. This year's leveling out between March and April may be the bottoming out of this index's long term decrease and a portent of a recovery in Oregon's employment.

In manufacturing, lumber and wood products registered the strongest employment gains for the third straight month. Increased activity is due to more building and wholesalers beginning to rebuild inventories. Some lumber mills, which in the recent past were temporarily closed or working reduced hours, are now reportedly working in excess of 90% of capacity. Also the rise in prices of wood products have acted as a stimulus for increased production.

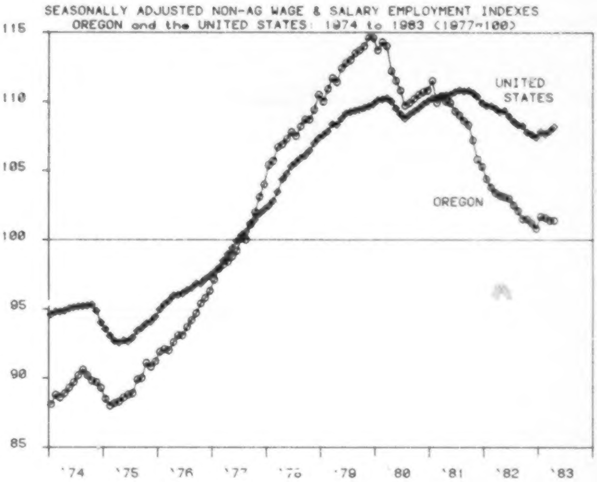
Furniture and fixtures increased by 300 as consumer confidence improved and product demand increased. Stone, clay, glass and concrete production employment climbed to 3,200 in April as construction expanded and the demand for construction materials increased.

Transportation equipment showed a sharp decline in employment between March and April. Nearly all of the 500 decrease is attributed to the completion of a major contract with the Navy, which forced a Portland area firm to cut back on its work force.

Food and kindred products posted a net employment decrease of 100. Canning and preserving, which fell 400, suffered from reduced repacking activity in western Oregon and the temporary closure of a potato processing line in eastern Oregon. Offsetting this was a 300 increase in other food products, mostly due to increased activity in seafood processing. Even though food and kindred had a net monthly loss of 100 jobs, it still was an improvement of 600 over its April 1982 level.

Construction showed a substantial month to month increase in employment (+1,700). Most of this gain was in heavy construction and structural steel work. The increase in heavy construction was primarily due to increased activity in highway and street projects which expanded with improved weather. Residential construction, by contrast, showed very little increase in monthly employment. Even with a healthy boost of 1,700 new employes, in April, the construction industry remained depressed at 2,000 below April 1982's employment.

Trade accounted for most of nonmanufacturing's net gain in employment between March and April. More than half of this gain was in other retail trade where eating and drinking places increased employment by 1,100. Food stores increased by 400. Most of retail trade showed healthy increases in employment over last April with only auto dealers and service stations showing continued signs of recession. In wholesale trade, auto parts and supplies (+300) had the largest gains followed closely by lumber and construction materials (+200).



Government showed the largest declines, both monthly (-2,000) and yearly (-6,000), of any sector. These declines are in part a reflection of a continuing decline in public resources. The largest single monthly drop was in local education (-700), which was largely due to fluctuations in student employment in community colleges as spring term started.

In summary, the employment news in April is good with the unemployment rate coming down sharply, the diffusion index rising, and the wage and salary employment index at least holding steady. On the other hand the low level of the wage and salary employment index means that seasonal employment is little improved over what it was in 1977 and wage and salary employment is still 16,900 below a year ago.

On the national scene, there is some question as to whether this recovery will be kept alive with very large federal deficits looming on the horizon. If the credit needs of the private sector and the federal government collide in the money markets and interest rates and inflation once again get out of hand, Oregon's recovery could be painfully short.□

THE EMPLOYER'S CORNER

Twenty Job Service Employer Committees (JSEC's) have been formed to advise and critique the performance of their local employment office. In cooperation with the local JSEC's (pronounced JaySec), each issue of the Oregon Labor Trends will feature an article of special interest to employers.

Thousands of young men and women are now searching for summer jobs - but the prospects of finding employment are dim for many of these job seekers. Help is on the way this summer as Oregon employers have a cost effective tool for hiring summer help through the Targeted Jobs Tax Credit Program (TJTC).

The concept is simple. Employers who hire certified disadvantaged summer youth between the ages of 16 and 17 years of age, are eligible for a Federal tax credit equaling 85 % on the first $3,000 in wages paid in any 90 day consecutive period between May 1 and September 15.

This program has two valuable attributes: First it gives employers a chance to guide young people into and through the world of real work. Second, it minimizes an employer's financial risk during these times of economic stress. This program is an asset to employers and also serves as a hiring incentive. All Oregon employers are encouraged to further investigate the advantages of participating in this program.

Contact the nearest local Oregon State Employment office or call 1-800-452-7813, ext. 8-4390 for further information.☐

ELIGIBLE HIGH UNEMPLOYMENT AREAS

Local jurisdictions determined as areas of high unemployment will be entitled to assistance through a $5 billion Federal jobs bill. This federal act calls for funding projects in areas of high unemployment(average unemployment rate not less than 90% of the national rate for the previous 12 months). This jobs bill is in addition to the labor surplus area preference for employers bidding on Federal procurement contracts. In Oregon, only Benton, Gilliam, Sherman, and Washington counties do not qualify. Eligible jurisdictions are:

Baker County
Clatsop County
Columbia County
Coos County
Crook County
Curry County
Deschutes County
Douglas County
Grant County
Harney County
Hood River County
Jackson County
Jefferson County
Josephine County
Klamath County
Lake County
Lincoln County
Linn County
Lane less Eugene City
Eugene City
Malheur County
Marion less Salem City
Morrow County
Clackamas less Portland City
Multnomah less Portland City
Polk less Salem City
Portland City in Clackamas and Multnomah Counties
Salem City
Tillamook County
Umatilla County
Union County
Wallowa County
Wasco County
Wheeler County
Yamhill County☐

1982 UNEMPLOYMENT RATES BY COUNTY

Revised March 1983

	Civilian Labor Force	Employment	Unemployment Number	Unemployment Rate
Oregon	1,316,000	1,164,000	152,000	11.5
Portland MSA	659,100	592,600	66,500	10.1
Eugene MSA	130,600	114,300	16,300	12.5
Salem MSA	124,600	111,600	13,000	10.4
Medford MSA	63,350	54,170	9,180	14.5
Baker	7,500	6,250	1,250	16.7
Benton	33,310	31,150	2,160	6.5
Clatsop	15,480	13,540	1,940	12.5
Columbia	16,120	14,140	1,980	12.3
Coos	27,560	23,630	3,930	14.3
Crook	5,650	4,640	1,010	17.9
Curry	7,300	6,110	1,190	16.3
Deschutes	31,040	26,110	4,930	15.9
Douglas	40,370	33,370	7,000	17.3
Gilliam	870	820	50	5.7
Grant	3,570	2,840	730	20.4
Harney	3,440	2,960	480	14.0
Hood River	8,450	7,200	1,250	14.8
Jefferson	5,510	4,950	560	10.2
Josephine	23,820	20,210	3,610	15.2
Klamath	26,610	22,890	3,720	14.0
Lake	3,530	3,090	440	12.5
Lincoln	18,910	16,750	2,160	11.4
Linn	40,500	34,430	6,070	15.0
Malheur	12,670	11,390	1,280	10.1
Morrow	5,110	4,580	530	10.4
Tillamook	10,000	8,420	1,580	15.8
Umatilla	28,860	25,440	3,420	11.9
Union	11,200	9,760	1,440	12.9
Wallowa	3,870	3,430	440	11.4
Wasco-Sherman	12,110	10,570	1,540	12.7
Wheeler	610	550	60	9.8
Yamhill	29,600	26,070	3,530	11.9

For monthly and industry detail, contact your local labor economist or call (503) 378-8657.☐

HOURS AND EARNINGS - DOWN THE ROAD CALLED RECOVERY

More and more signs of economic recovery are beginning to appear as we approach summer. More important though, expectations for continued improvement are gaining momentum. Signs of optimism directly impacting Oregon's economy include declining interest rates and an awakening in homebuilding activity. It looks like lean inventories coupled with rising consumer spending have started the wheels of recovery rolling. Coming full circle then, increased business activity will translate into heftier paychecks and so further stimulate consumer spending. However, not all areas of the state's economy will share equally in rising prosperity. This is as yet a housing led recovery and immediate gains most likely will be limited to the forest products sector and its allied industries.

Production activity for March continued its upward beat toward what appears to be a sustained recovery for Lumber & Wood Products. Weekly hours rose another .2, while production worker employment

RESIDENT OREGON LABOR FORCE

	1/ Apr. 1983	2/ Mar. 1983	Change	% Change	5/ Apr. 1982
Civilian Labor Force 3/	1,333,000	1,326,100	+ 6,900	+0.5	1,318,200
Unemployment	148,700	161,600	-12,900	-8.0	161,700
Percent of Labor Force	11.2	12.2	xxx	xxx	12.3
Seasonally Adjusted Percent	10.4	11.0	xxx	xxx	11.6
Total Employment 4/	1,184,300	1,164,500	+19,800	+1.7	1,156,500

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ Apr. 1983	2/ Mar. 1983	Apr. 1982	Change From Mar. 1983	Change From Apr. 1982
TOTAL 3/	943,100	938,600	960,000	4,500	-16,900
Wage & Salary Employment Index 4/	101.4	101.4	103.2	xxx	xxx
Diffusion Index 5/	48.1	46.9	39.1	xxx	xxx
Total Manufacturing	179,700	178,500	180,900	1,200	- 1,200
Durable Goods	130,100	129,400	131,800	700	- 1,700
Lumber & Wood Products	60,000	59,100	53,200	900	6,800
Logging & Sawmills	30,400	30,100	27,200	300	3,200
Veneer & Plywood	18,300	18,100	16,200	200	2,100
Millwork & Structural Wood	6,300	6,000	5,100	300	1,200
Mobile Homes	1,800	1,700	1,400	100	400
Other Wood Products	3,200	3,200	3,300	0	- 100
Furniture & Fixtures	2,900	2,600	2,200	300	700
Stone, Clay, Glass, & Concrete	3,200	3,000	3,300	200	- 100
Primary Metals	7,100	7,000	8,800	100	- 1,700
Blast Furnaces, Iron & Steel	3,900	3,800	4,800	100	- 900
Nonferrous Metals	3,200	3,200	4,000	0	- 800
Fabricated Metals	8,400	8,400	9,600	0	- 1,200
Fabricated Structural Metals	3,300	3,300	3,600	0	- 300
Other Fabricated Metals	5,100	5,100	6,000	0	- 900
Machinery	14,600	14,600	17,200	0	- 2,600
Electrical Equipment & Supplies	9,100	9,200	10,100	-100	- 1,000
Transportation Equipment	7,000	7,800	8,000	-800	- 1,000
Instruments & Related Products	15,400	15,400	16,900	0	- 1,500
Miscellaneous Manufacturing	2,400	2,300	2,500	100	- 100
Nondurable Goods	49,600	49,100	49,100	500	500
Food & Kindred Products	20,300	20,400	19,700	-100	600
Canning & Preserving	10,300	10,700	9,900	-400	400
Other Food Products	10,000	9,700	9,800	300	200
Textile Mill Products	1,600	1,600	1,800	0	- 200
Apparel	2,800	2,700	2,700	100	100
Paper & Allied Products	9,300	9,200	9,700	100	- 400
Printing & Publishing	10,100	10,000	10,000	100	100
Chemicals & Allied Products	2,100	2,000	2,200	100	- 100
Petroleum Refining	500	500	400	0	100
Rubber & Plastic Products	2,600	2,400	2,300	200	300
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Apr. 1983	Mar. 1983	Apr. 1982	Change From Mar. 1983	Change From Apr. 1982
(cont.)					
Total Nonmanufacturing	763,400	760,100	779,100	3,300	-15,700
Mining & Quarrying	1,300	1,200	1,700	100	- 400
Construction	25,700	24,000	27,700	1,700	- 2,000
Transportation, Communications, & Utilities	55,400	55,100	56,400	300	- 1,000
Transportation	31,500	31,300	31,400	200	100
Railroad	5,700	5,600	6,300	100	- 600
Trucking & Warehousing	16,300	16,100	15,200	200	1,100
Other Transportation	9,500	9,600	9,900	- 100	- 400
Communications	14,900	14,900	16,000	0	- 1,100
Utilities	9,000	8,900	9,000	100	0
Trade	235,600	232,900	235,400	2,700	200
Wholesale Trade	59,400	58,800	62,800	600	- 3,400
Durable Goods	35,500	34,800	37,800	700	- 2,300
Nondurable Goods	23,900	24,000	25,000	- 100	- 1,100
Retail Trade	176,200	174,100	172,600	2,100	3,600
General Merchandise	23,700	23,600	23,000	100	700
Food Stores	27,400	27,000	25,600	400	1,800
Auto Dealers & Service Stations	21,300	21,300	21,500	0	- 200
Other Retail Trade	103,800	102,200	102,500	1,600	1,300
Finance, Insurance, & Real Estate	63,200	63,100	65,700	100	- 2,500
Banking & Credit Agencies	23,300	23,300	24,200	0	- 900
Other Finance, Insurance, & Real Estate	39,900	39,800	41,500	100	- 1,600
Services	185,500	185,100	189,500	400	- 4,000
Hotels & Personal Services	21,200	21,300	23,400	- 100	- 2,200
Health Services	65,200	65,100	65,200	100	0
Other Services	99,100	98,700	100,900	400	- 1,800
Government	196,700	198,700	202,700	-2,000	- 6,000
Federal Government	28,300	28,700	28,600	- 400	- 300
State Government	52,100	52,900	51,900	- 800	200
Education	22,400	22,800	22,600	- 400	- 200
Other State	29,700	30,100	29,300	- 400	400
Local Government	116,300	117,100	122,200	- 800	- 5,900
Education	74,500	75,200	77,500	- 700	- 3,000
Other Local	41,800	41,900	44,700	- 100	- 2,900
Labor-Management Disputes	200	200	100	0	100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

climbed 1,100 over the month. The swelling work force has held down hourly earnings as lower paid workers returned to work. However, this expectation has been at least partially supplanted by strong increases in overtime hours and pay in Logging & Sawmills and Millwork & Structural Wood. Overtime hours for Millwork & Structural Wood rose 37%. The market's ability to sustain itself during the poor weather conditions experienced in March is testimony to rising confidence in the economy.

Economics is largely grounded on expectations and right now expectations are for the rest of Durable Goods to be "grounded". Improvements have been limited to industries related to home building and maintenance. Such was the case in Fabricated Metals, where demand for these products along with metal cans, and cutlery equipment prompted a 1.3 jump in average weekly hours. This is the largest such increase since the 1950's. On the flip side, the outlook was not quite as rosy as the workweek for Primary Metals fell .4 hour with curtailment of overtime hours by producers of aluminum and rare metals. This drop overshadowed modest improvements in steel and castpart producers where price increases for selected products were enough to spark some improvement in production activity. Machinery also fell on rougher times with a .7 decline in weekly hours due to weakness in electronic computing equipment. Total production worker employment for the durable sectors, less Lumber & Wood Products, has fallen 5,000 over the year. So while there are some bright spots, the general outlook is less than favorable.

Nondurable goods sprang back following February's dismal performance to recover most of its lost workweek hours. Again, however, due to the industry composition such swings in the workweek average are not cause for alarm or, for that matter, too much celebration. March saw weekly hours fall sharply in Textiles (-1.5) and Apparel (-1.2). Influencing factors for both these industries are hinged in part on the strength of the dollar overseas which has lowered the price of competitive products. Reversing a long slide in prices for pulp has had some impact in weekly hours worked in Paper & Allied Products. The resultant increase in overtime prompted an $.18 rise in hourly earnings. For some firms the increase in price pushed production back over to the profit side of the ledger. Packaging materials gained most from the improvement. Demand for newsprint remains sluggish but is improving as

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar. 2/ 1983	Feb. 3/ 1983	Mar. 1982	Mar. 2/ 1983	Feb. 3/ 1983	Mar. 1982	Mar. 2/ 1983	Feb. 3/ 1983	Mar. 1982
TOTAL MANUFACTURING 4/	$399.90	392.58	370.63	38.6	38.3	37.4	10.36	10.25	9.91
Durable Goods	412.26	407.29	378.89	39.3	39.2	37.7	10.49	10.39	10.05
Lumber & Wood Products	429.32	426.38	381.02	39.9	39.7	37.1	10.76	10.74	10.27
Logging & Sawmills	458.05	459.55	404.06	39.9	40.1	36.9	11.48	11.46	10.95
Veneer & Plywood	430.52	424.66	385.06	40.5	40.1	38.2	10.63	10.59	10.08
Millwork & Struct Wood	318.01	313.50	303.21	38.5	38.0	36.4	8.26	8.25	8.33
Mobile Homes	322.81	274.86	245.36	40.1	34.4	32.2	8.05	7.99	7.62
Other Wood Products	401.19	405.47	352.76	38.8	39.1	36.9	10.34	10.37	9.56
Furniture & Fixtures	249.55	247.68	196.80	35.0	34.4	24.6	7.13	7.20	8.00
Primary Metals	497.30	491.10	493.29	38.7	39.1	40.6	12.85	12.56	12.15
Fabricated Metals	378.62	370.63	361.49	38.4	37.1	37.0	9.86	9.99	9.77
Machinery	401.30	403.10	382.21	37.4	38.1	37.0	10.73	10.58	10.33
Nondurable Goods	363.91	351.91	348.07	36.5	35.8	36.6	9.97	9.83	9.51
Food & Kindred Products	293.86	295.68	303.73	33.7	33.6	35.4	8.72	8.80	8.58
Canning & Preserving	221.43	222.65	247.57	30.5	30.5	34.1	7.26	7.30	7.26
Other Food Products	401.28	396.43	373.80	38.4	37.9	36.9	10.45	10.46	10.13
Textile Mill Products	218.96	225.20	199.65	36.8	38.3	36.3	5.95	5.88	5.50
Apparel	192.74	200.39	180.20	35.3	36.5	34.0	5.46	5.49	5.30
Paper & Allied Products	542.15	515.44	488.82	41.8	40.3	40.6	12.97	12.79	12.04
Printing & Publishing	414.07	372.03	376.57	36.1	34.1	34.9	11.47	10.91	10.79
Construction 4/	506.69	532.33	519.42	31.2	31.8	33.0	16.24	16.74	15.74
Communications & Utilities 5/	446.20	441.90	436.69	38.8	38.9	40.1	11.50	11.36	10.89
Trade 5/	272.97	273.36	276.55	33.7	33.5	34.1	8.10	8.16	8.11
Wholesale Trade	359.78	366.00	368.45	36.9	37.5	38.5	9.75	9.76	9.57
Retail Trade	229.19	226.49	225.70	32.1	31.5	31.7	7.14	7.19	7.12
Banking & Insurance	264.29	258.08	236.08						
State & Local Government	301.19	306.15	289.35						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

overseas inventories are whittled down. Printing and Publishing enjoyed a flurry of activity as work loads climbed dramatically to meet print orders for corporate annual reports. Because of the short term nature of the workload, firms are normally apt to increase overtime rather than hire workers. As a result, average weekly hours climbed 2.0 and hourly earnings rose $.56, while production worker employment remained unchanged. This surge is expected to slow sometime in April.

Much of the nation is experiencing what may be called a peppy recovery in housing starts. However, Oregon's Construction activity has yet to rebound, partly because of the state's population losses. Also, wet weather conditions have slowed or delayed many planned projects. Another contributing factor with long term implications is the high vacancy rate for office building space. The net result has been a .6 drop in weekly hours for total Construction. Hours fell most in Masonry related work and Heavy Construction. Hourly earnings also fell $.50 with the curtailment of premium pay following completion of a major insulation and acoustical application project.

Positive trends in total Manufacturing are encouraging but a word of caution is still warranted. Total production worker employment currently stands 22.3% below that of March 1979. As yet, this is a housing recovery with a large share of the benefits falling on that select group associated with wood products here in Oregon.

The narrow based recovery is evident in the lack of any significant improvement in Trade activity. To be sure, some areas are revving up....but? Weekly hours pushed their way higher by .2, while hourly earnings fell $.06. Retail Trade did the pushing on both counts on the strength of more hours in General Merchandise and Food Stores. The addition of new, lower paid employees (+400) also prompted much of the decline in hourly earnings. While expectations for expanding demand in remodeling and home construction has had an impact on some wholesale traders, the overall trend has not been so favorable.□

INDUSTRIAL CHANGE - Part two

In last month's Oregon Labor Trends, the article "Industrial Change" pointed to Oregon's shifting industrial structure. The article noted that during the early 1950's, 67% of Oregon's workers were employed in the service producing industries (i.e. Transportation, Trade, Services, Finance). By the early 1980's, 75% of the workers were employed in these same industries.

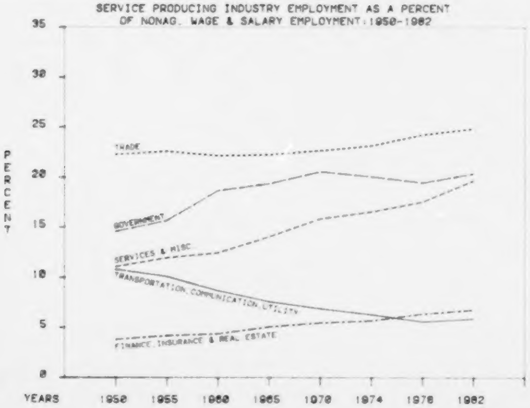
This steady trend away from goods producing industries (i.e. lumber, paper, machinery, transportation equipment, building) was largely due to developments in labor saving technology over the last 30 years.

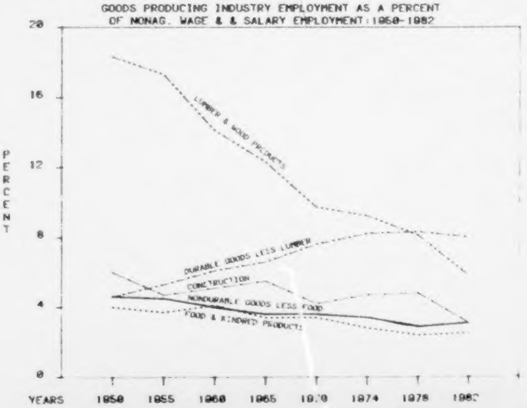
Of equal importance, however, was the social adjustment that took place over the period. As industrial mechanization in the 1950's increased so too did productivity. The resultant increase in earnings encouraged much higher consumer spending with an increasing proportion of the family budget being filtered into service related industries.

So as the employment share of goods producing industries declined, a counter balancing increase in the service producing employment share took place to meet consumer demands. Even the goods producers found advantages in service oriented activities in the increasingly complex society. Today a larger portion of product costs are due to service related activities (ie. advertising, legal, financial, research) than 30 years ago.

But not all industries shared equally in Oregon's shifting economic structure. The two graphs depict the changing relative share each industry group has had since 1950. Please note that total nonagricultural industry employment more than doubled during this period; however, not all industries grew at the same pace.

Among the goods producing industries, two trends are significant. First, the Lumber & Wood Product employment share dropped like a rock. Second, only one industry group, Other Durable Goods (less Lumber & Wood Products), increased in its share of the





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total. Conversely, the service producing industries, with the exception of Transportation, Communication, & Utilities, all gradually increased their employment share over the last 30 years.

Even in 1979, Oregon's latest "good" year, employment in Lumber & Wood Products barely moved above the 80,000 mark set in 1950. Technological advances throughout the period significantly decreased the amount of labor required to produce a finished product in this industry. The oldest sector, Logging & Sawmills, received the most benefit from the labor saving machinery. Here, employment in 1979 was 41,900 compared to 65,600 in 1950. Still, Oregon remains the nation's leading producer of lumber.

The rest of Durable Goods employment (excluding Lumber & Wood Products) bucked the downward trend of other goods producing industries on the back of five industries - Primary Metals, Fabricated Metals, Machinery, Electrical Equipment, and Instruments & Related Products. Of these, the last three relatively new industries benefited from the tremendous growth in computer and related technological advancements. Cheap electrical power aided both Fabricated & Primary Metals in increasing their share in the aerospace, lumber-related, aluminum, and food processing equipment markets.

Oregon's ever important Food Products sector, like Lumber & Wood Products, started as a very labor intensive industry. However, it too has benefited from advanced technology, but not nearly to the same extent as Lumber & Wood Products. In recent years, changing consumer tastes and new competition has also served to lessen Oregon's share of the market.

Construction's sensitive nature is illustrated in the accompanying graph. Although an overall downward trend exists, this industry was not without its ups and downs. In-migration, coupled with low interest rates and increased government programs served to create two boom periods since 1950. The latest, between 1970 and 1978, ended as interest rates soared.

In exact contrast with the goods producing sector, four of the five service activity industries increased their share of total industry employment - the exception being Transportation, Communication and Utilities. Of the positive directed industries, all can attribute their increasing employment share to increased consumer well-being which resulted in a change in spending habits. The lone exception, Transportation, Communication and Utilities, all heavily regulated industries, experienced little growth until the 1970s when they shared in the economic prosperity. However, their employment share declined, mostly in Transportation, as better equipment and roads, and larger more efficient firms emerged requiring fewer workers to produce the same output.

The remaining private industries - Trade, Finance, Insurance and Real Estate, and Services - excelled as both consumer and business demand increased their market share. Business demand increased in the Finance, Insurance, Advertising, Legal and Research sectors, while consumer demand increased the in Health, Real Estate and Recreation sectors.

Increased emphasis in both education and social programs served to increase Government's share of the pie. Education was affected two ways, the baby boom added a significant number of students into the class room and the trend toward more education kept them there longer. Social programs ranging from subsidized veteran home loans to medicare aid for the elderly inflated employment in the noneducation sectors.

In Oregon's changing economy, structural shifts will continue through the 1980s. Although the changing proportion of both service producing and goods producing industries are expected to maintain their current trend, some sectors will benefit more than others. Impressive gains are expected for those engaged in high technology, information and business services, and recreation. Government, on the other hand, will see a declining share of the pie if current developments continue.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JUNE 1983

MAY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
May '83	10.0	10.2
Apr. '83	10.4	11.1
U.S.		
May '83	10.1	9.8
Apr. '83	10.2	10.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
May 1983:	101.3
Apr 1983:	101.5
May 1982:	103.1
May 1981:	109.9
May 1980:	111.5
May 1979:	112.4

DIFFUSION INDEX

Oregon	
May 1983:	49.6
Apr. 1983:	50.0
Mar. 1983:	46.9
Feb. 1983:	45.7

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Apr. 1983:	39.1
Mar. 1983:	38.6
Apr. 1982:	37.2

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
May 1983	288.5
Year Change	2.3%
U.S.	
May 1983	297.1
Year Change	3.5%

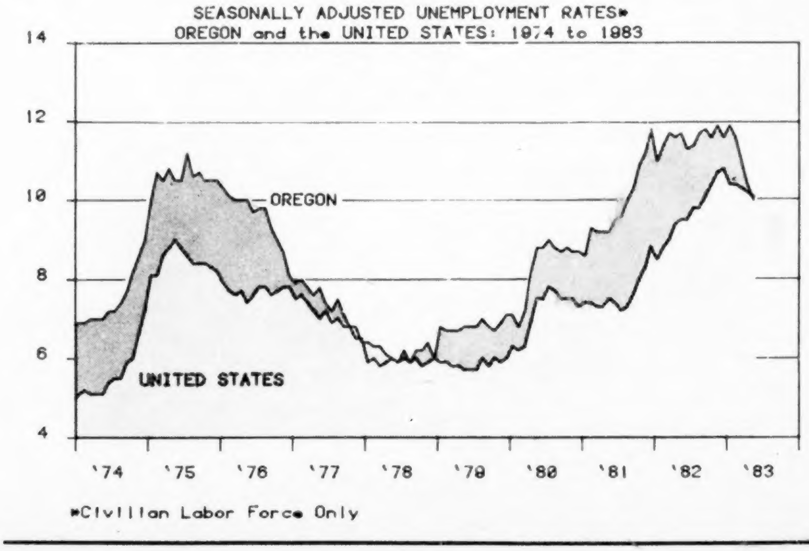
Portland Hotline 221-4132

OREGON JOBLESS RATE FALLS

The decline in Oregon's unemployment rate in May reflects the increasing strength of the economic recovery. For the first time in nearly five years Oregon's unemployment rate fell below that of the nation.

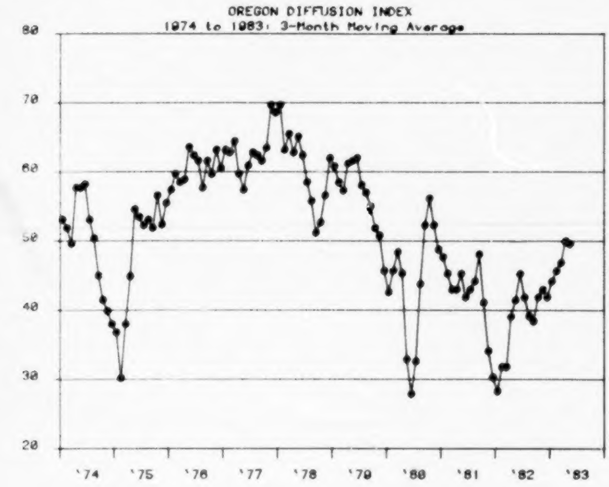
Oregon's good news came as a result of a decrease in the count of unemployed workers (-12,000) combined with an increase in total employment (+20,100). Although some increase is expected during this time of the year due to favorable seasonal considerations, the numbers still show significant improvement over May 1982.

Certainly the performance of the diffusion index over the year is encouraging. While this leading economic indicator slumped at 41.5 in May 1982, this year's April revised and May index stood at attention with 50.0 and 49.6 respectively. When this index shows 50.0, half of the 43 industries that comprise the index show seasonally adjusted employment gains. It is important to note that the size of each industry was not a consideration in its being chosen for the index. So, a very large industry, such as services with 185,900 employes, carries no more weight than a smaller industry such as logging and sawmills with only 31,700 employed. Instead, sensitivity to the change in the business cycle was the selection criterion. Hence, recent increases in the index show us the recovery is becoming more widespread. Not only are more industries hiring, but gains in these industries foretell others will follow.



SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1974 to 1983

*Civilian Labor Force Only



Nonagricultural payroll employment, which includes almost all wage earners but excludes farm workers, nonpaid family workers, and the self employed, grew 5,300 last month. This was the biggest increase since September 1982. Almost all the growth occurred in the nonmanufacturing sectors (+4,900) with little overall change in manufacturing (+400).

Employment in Trade climbed 1,800 to fall in line with normal seasonal expectations. Consumers appear to have regained much of their confidence and are making their presence felt in the shops and showrooms.

Improvement was noted in all areas of Construction (+1,600). The number of building permits for single family residential housing rose to 546 in May from 531 in April and 363 from a year ago. Even with this year's healthy increase, the 546 permits look pale compared to 1,062 for May 1980 and 2,489 for May 1978.

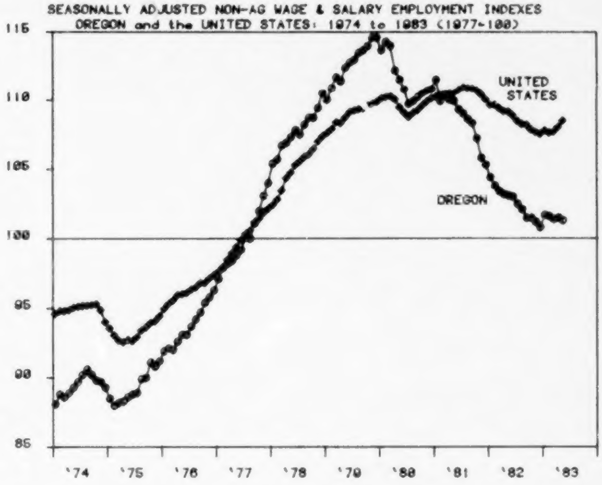
Home building activity pushed employment in Oregon's Lumber & Wood Products manufacturing 1,300 higher in May. Unfortunately, this gain was 200 less than seasonally expected. This hesitation in normal seasonal gains was partially the result of uncertainties stemming from pending labor negotiations and legislation concerning timber harvest contracts. Sawmill activity still remained strong as demand and prices continued to climb. U.S. builders started work on new housing at an annual rate of 1.79 million units, up from 1.5 million in April. The increase put housing starts at their highest since the 1.8 million units of September 1979.

Combined losses for Instruments & Related Products and Machinery exceeded 700. Layoffs and other labor turnover by high-tech and related industries accounted for about half of the loss. A labor dispute affecting 300 machinery workers added to the decline. Several Other Durable Goods industries also demonstrated declining employment opportunities due to a slowdown in domestic energy exploration activity. Manufacturers appear wary of committing too much too soon on capital spending projects.

Food Processing is following its "normal" roller coaster employment pattern. Canning & Preserving fell 600 after a stronger than normal winter. Curtailments at potato processing plants accounted for a large share of the loss.

While employment in Mining & Quarrying is still far short of prior employment levels, demand for rock products has spurred a 200 increase in employment. Increasing demand comes from public works and road building activities.

Truck Transportation moves Oregon's lumber and wood products to processing and then to market. As a result of the strong rebound in lumber products activity, employment in trucking and warehousing climbed 300 over April.



You may ask why the industry employment data are not responding with the same vigor as total employment. The number of nonfarm payroll jobs climbed 5,300 since April and 17,400 since January while total employment increased 20,100 and 73,000 respectively. Certainly part of any difference is because data for the two series are collected from different sources. The prime mover of the total resident employment series is a survey of households while the industry data by work place are from a sample of employers. What really may be causing the divergence of the two series in this case however, is that the payroll employment does not include farm workers, self-employed, unpaid family workers, and domestics. The latter three categories, especially, are ones that will expand as workers look for alternatives to payroll employment. This can be shown using national data. While together these categories have expanded nearly 6% from January through April, the other nonfarm categories rose less than 1.5%.

Economists do not expect the economic recovery to translate into a quick drop in unemployment. This is evident in the April-May changes in employment and unemployment. If in May, the loss of unemployment had been the same as the gain in employment (+20,100), the unemployment rate would have fallen to 9.6% rather than to 10.2%. One reason this did not and will not occur is because of the discouraged worker phenomenon. As the recovery matures, people who had been too discouraged to look for work will become more optimistic and may reenter the labor force at a faster pace than the economy can produce jobs. During the first quarter of 1983 there were 1.8 million discouraged workers in the U.S. according to the U.S. Department of Labor. Oregon's share of these discouraged workers may number 24,000, about one for every six unemployed workers.

The fact that employment has been on the upswing does not mean that jobs are plentiful. Jobs continue to be scarce and competition for openings tough. Many workers are still on layoff lists waiting to be recalled; others will never be recalled as some businesses have permanently reduced their work force or closed their doors. Employers will likely be slower to increase their labor force than in past recoveries as there is a lot of concern about its longevity. Employers aren't going to add workers until they are sure it is justified by a rise in business.

Overall, this May economic report is encouraging. The 1983 recovery is beginning to show some strength. Although the unemployment rate will remain high, the trend is definitely towards recovery. Even the most dyed-in-the-wool pessimist would have a hard time foreseeing any direction but up this summer.□

OREGON LOSES POPULATION

Oregon lost population from mid-year 1981 to mid-year 1982. The loss was estimated at 4,550, or nearly two persons per thousand. It was the first year-to-year population decrease Oregon has ever recorded. Loss of jobs during the long recession was the cause.

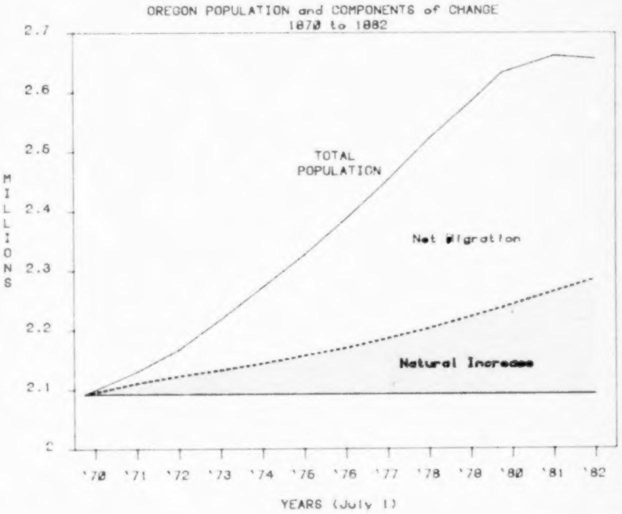
The Oregon Center for Population Research and Census, the source of these estimates, separates change in population into two components: natural increase and net migration. Natural Increase is defined as births minus deaths. The annual rate of natural increase averaged six persons per thousand during the 1970s, and has quickened in the 1980s to nearly eight persons per thousand as the Baby Boom generation enjoys its prime child-bearing years.

Net Migration, the more volatile component, is defined as the number of people who move in - that is, change their places of residence to Oregon - minus the number who move out. Net in-migration averaged 26 persons per thousand per year during the 1970s, slowing only slightly during the mid 1970's recession, and peaking in 1978.

In late 1980, after nearly a year of recession, the influx of people slowed with unexpected suddenness. By the middle of 1981 more people were leaving Oregon than coming here to live. This was the first year of net out-migration recorded in Oregon's history.

The recession continued to deepen, and the outflow of people quickened to a pace at which it outweighed natural increase. Mid 1981 to mid 1982 was the first known 12-month period of population loss since Oregon's first settlers arrived. Loss of population appears to have continued through the second half of 1982 as well.

This turn of events is illustrated in the following population graph. The upper line shows the growth - and recent decline - of Oregon's total population. The shaded portion of the graph illustrates what Oregon's population would be if there had been no net migration since 1970. The upper wedge, between the dotted and solid lines, represents the count of net migrants.



Among the 50 states, Oregon has gone quickly from being one of the more rapid population gainers to being one of the fastest population losers. During the 1970s only eight states grew more rapidly than Oregon. From mid 1980 to mid 1981, net out-migration held Oregon's growth to the lowest level of any western state. From mid 1981 to mid 1982 Oregon's rate of population loss was second only to Michigan's according to the U.S. Bureau of Census.

Oregon's image has progressed during the last few decades from "someplace out west" to "a great place to live". During the 1970s Oregon's liveability spoke louder than the fact that Oregon's unemployment rate was higher than the nation's throughout the 1970s. Yet people from other states continued to move to Oregon.

It has taken a long deep recession, in which Oregon has been hit sooner, harder and longer than most other states, to reverse the migration flow.

RESIDENT OREGON LABOR FORCE

	May 1/ 1983	April 2/ 1983	Change	% Change	May 5/ 1982
Civilian Labor Force 3/	1,341,500	1,333,400	+ 8,100	+0.6	1,330,000
Unemployment	136,400	148,400	-12,000	-8.1	155,900
Percent of Labor Force	10.2	11.1	xxx	xxx	11.7
Seasonally Adjusted Percent	10.0	10.4	xxx	xxx	11.7
Total Employment 4/	1,205,100	1,185,000	+20,100	+1.7	1,174,100

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	May 1/ 1983	April 2/ 1983	May 1982	Change From April 1983	Change From May 1982
TOTAL 3/	949,200	943,900	965,800	+5,300	-16,600
Wage & Salary Employment Index 4/	101.3	101.5	103.1	xxx	xxx
Diffusion Index 5/	49.6	50.0	41.5	xxx	xxx
Total Manufacturing	180,500	180,100	182,800	400	-2,300
Durable Goods	130,500	129,800	133,000	700	- 2,500
Lumber & Wood Products	61,200	59,900	54,800	1,300	6,400
Logging & Sawmills	31,700	30,700	28,300	1,000	3,400
Veneer & Plywood	17,900	17,900	16,600	0	1,300
Millwork & Structural Wood	6,400	6,300	5,300	100	1,100
Mobile Homes	1,900	1,800	1,300	100	600
Other Wood Products	3,300	3,200	3,300	100	0
Furniture & Fixtures	2,800	2,800	2,200	0	600
Stone, Clay, Glass, & Concrete	3,600	3,400	3,500	200	100
Primary Metals	7,100	7,100	8,400	0	- 1,300
Blast Furnaces, Iron & Steel	3,900	3,900	4,600	0	- 700
Nonferrous Metals	3,200	3,200	3,800	0	- 600
Fabricated Metals	8,400	8,400	9,400	0	- 1,000
Fabricated Structural Metals	3,300	3,300	3,500	0	- 200
Other Fabricated Metals	5,100	5,100	5,900	0	- 800
Machinery	14,300	14,600	16,900	- 300	- 2,600
Electrical Equipment & Supplies	9,200	9,200	10,100	0	- 900
Transportation Equipment	6,900	7,000	8,400	- 100	- 1,500
Instruments & Related Products	14,700	15,100	16,900	- 400	- 2,200
Miscellaneous Manufacturing	2,300	2,300	2,400	0	- 100
Nondurable Goods	50,000	50,300	49,800	- 300	200
Food & Kindred Products	21,000	21,400	20,200	- 400	800
Canning & Preserving	10,700	11,300	10,100	- 600	600
Other Food Products	10,300	10,100	10,100	200	200
Textile Mill Products	1,600	1,600	1,800	0	- 200
Apparel	2,700	2,700	2,800	0	- 100
Paper & Allied Products	9,300	9,300	9,700	0	- 400
Printing & Publishing	9,900	10,000	10,000	- 100	- 100
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	500	500	400	0	100
Rubber & Plastic Products	2,600	2,400	2,400	200	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	May 1983	April 1983	May 1982	Change From April 1983	Change From May 1982
(cont.)					
Total Nonmanufacturing	768,700	763,800	783,000	+4,900	-14,300
Mining & Quarrying	1,400	1,200	1,900	200	- 500
Construction	27,200	25,600	29,500	1,600	- 2,300
Transportation, Communications, & Utilities	55,400	55,300	56,700	100	- 1,300
Transportation	31,600	31,500	31,700	100	- 100
Railroad	5,700	5,700	6,300	0	- 600
Trucking & Warehousing	16,500	16,200	15,500	300	1,000
Other Transportation	9,400	9,600	9,900	-200	- 500
Communications	14,800	14,900	16,000	-100	- 1,200
Utilities	9,000	8,900	9,000	100	0
Trade	237,000	235,200	237,300	1,800	- 300
Wholesale Trade	59,500	59,100	62,300	400	- 2,800
Durable Goods	35,500	35,400	37,400	100	- 1,900
Nondurable Goods	24,000	23,700	24,900	300	- 900
Retail Trade	177,500	176,100	175,000	1,400	2,500
General Merchandise	24,100	23,700	22,800	400	1,300
Food Stores	27,600	27,400	26,100	200	1,500
Auto Dealers & Service Stations	21,500	21,300	21,700	200	- 200
Other Retail Trade	104,300	103,700	104,400	600	- 100
Finance, Insurance, & Real Estate	63,500	63,200	65,500	300	- 2,000
Banking & Credit Agencies	23,300	23,300	24,000	0	- 700
Other Finance, Insurance, & Real Estate	40,200	39,900	41,500	300	- 1,300
Services	185,900	185,900	188,600	0	- 2,700
Hotels & Personal Services	21,200	21,300	23,300	-100	- 2,100
Health Services	65,100	65,100	65,300	0	- 200
Other Services	99,600	99,500	100,000	100	- 400
Government	198,300	197,400	203,500	900	- 5,200
Federal Government	28,300	28,100	29,400	200	- 1,100
State Government	53,000	52,800	52,000	200	1,000
Education	22,600	22,600	22,600	0	0
Other State	30,400	30,200	29,400	200	1,000
Local Government	117,000	116,500	122,100	500	- 5,100
Education	75,000	74,700	77,100	300	- 2,100
Other Local	42,000	41,800	45,000	200	- 3,000
Labor-Management Disputes	500	200	300	300	200

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Availability of jobs and migration trends are closely related, usually with a time lag. Most families do not move immediately when the bread winner loses a job. An area whose unemployment rate jumps one year is most likely to sustain a population outflow the following year. The unemployment rate then eases as unemployed people leave the area.

The first job losses of the recession occurred in primary industries, especially construction and wood products, due to spiraling interest rates and other problems that were national in scope. A few people moved out as soon as they saw no immediate job prospects. This first group to pull up stakes was predominately young and included many of those who had recently migrated into Oregon. Most families whose breadwinners lost jobs tried to wait out this slump, living from savings, odd jobs, and maybe temporarily from unemployment benefits. When people felt they must move to greener pastures they went either to where jobs were more plentiful or "back home", which for many meant out of Oregon.

As local populations decreased, support industries - trade, services and others - lost customers and income. Employers also tried to hold on, first shortening hours, then laying off employes. In some cases they finally went out of business. As the tax base shrunk, so did school and other government employment.

Thus jobs and population went on a downward spiral during the long period of hard times for local basic industries. It has been the length of this recession, as much as the depth, that has caused the radical change in Oregon's population trend.

MIGRATION OF UI CLAIMANTS

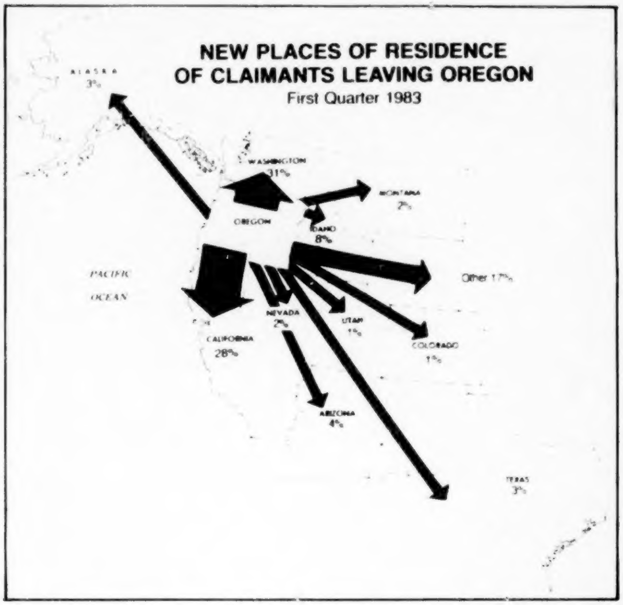
Unemployment Insurance (UI) information can be used to answer some questions about what types of unemployed people leave Oregon and where they go.

Just under 5% of all Oregon's UI claimants sent in their claims from out of state, during the first quarter of 1983. The likelihood of an unemployed person's leaving Oregon has varied with the person's occupation. Jobless people in services and "white collar" occupations have been a bit more likely to move away than people with "blue collar" occupations in manufacturing, construction, agriculture and other basic industries.

Percent of Oregon UI Claimants
in Each Occupational Group
who have Moved out of State
1st Qtr. 1983

All Occupations	4.8%
Prof., Tech. & Mgmt.	5.2
Clerical & Sales	5.0
Service	5.8
Farming, Fishing & Forestry	3.5
Processing	4.7
Machine Trades	3.6
Benchwork	4.0
Structural Work	3.8
Miscellaneous	4.8

There may be several reasons for this. The skills involved in "blue collar" jobs often do not transfer as easily to new jobs as "white collar" job skills. Social skills developed in most professional, technical, management, service, clerical and sales occupations can make moving less traumatic. Also, older workers in wood products, fishing and other basic industries are more accustomed than others to waiting out hard times.



NEW PLACES OF RESIDENCE
OF CLAIMANTS LEAVING OREGON
First Quarter 1983

Most of the UI claimants who leave Oregon looking for jobs have not been going very far. As the map shows, over two-thirds of the out-migrating UI claimants have moved to a bordering state. Only about one in four moved more than 1,000 miles.

OUTLOOK: MORE JOBS, MORE PEOPLE

Oregon's population growth will gradually resume as economic conditions improve. A net outflow of people is likely to continue through most of 1983, but provided a moderate recovery does materialize in Oregon this year, the flow of people will turn positive again by 1984.

Oregon's population growth for the decade of the 1980s is forecasted at 12%, or a little less than 12 persons per thousand per year. This would include natural increase continuing at eight persons per thousand annually and average net migration of four persons per thousand.

Our overall growth for the 1980s is expected to be a bit more rapid than the nation's. The extremely rapid inflows of the 1970s are not expected to return during this decade.□

HOURS & EARNINGS – THE RECOVERY: TAKING ROOT?

Expectations about the health of the economy continue positive as more and more signs indicate recovery is beginning to put down roots and take hold. In Oregon, recovery is primarily dependent upon lower interest rates. Already, lower mortgage rates have sparked national home building and subsequent employment gains in the lumber industry and promoted slight improvement in retail sales of "big ticket" items such as major appliances and home furnishings.

The addition of 2,000 Manufacturing production workers to the payroll caused a drop of $.12 in average hourly earnings. Even with these additional workers, there was a .5 increase in average weekly hours in April. The number of production workers remained 1,700 below the year ago level but average weekly hours climbed 1.9 and average hourly earnings rose $.32. Lumber prices continue to move upward compared to a year ago - stimulating production activity. Mills are operating at or very near capacity for those currently operating. The level of activity is evidenced by the 40.3 average weekly hours reported for the industry. This is up .4 hours over March. Hourly earnings have remained relatively stable ($-.03) in spite of extensive production worker gains due to the level of overtime worked.

One area where consumers are beginning to show interest in big ticket items is Furniture & Fixtures. While weekly hours fell slightly, hourly earnings climbed $.15. More good news is that the decline in weekly hours resulted from the recall of workers throughout the industry. Production worker employment has climbed 9% during the month and over 40% above last year. Optimism is not as evident

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr. 2/ 1983	Mar. 3/ 1983	Apr. 1982	Apr. 2/ 1983	Mar. 3/ 1983	Apr. 1982	Apr. 2/ 1983	Mar. 3/ 1983	Apr. 1982
TOTAL MANUFACTURING 4/	$399.60	$399.12	$368.28	39.1	38.6	37.2	$10.22	$10.34	$9.90
Durable Goods	414.72	412.91	374.12	39.8	39.4	37.3	10.42	10.48	10.03
Lumber & Wood Products	432.42	429.32	370.55	40.3	39.9	36.4	10.73	10.76	10.18
Logging & Sawmills	464.94	458.05	385.56	40.5	39.9	35.7	11.48	11.48	10.80
Veneer & Plywood	431.58	430.52	377.50	40.6	40.5	37.6	10.63	10.63	10.04
Millwork & Struct Wood	317.77	318.01	295.01	38.8	38.5	35.5	8.19	8.26	8.31
Mobile Homes	333.33	322.81	274.21	40.7	40.1	35.2	8.19	8.05	7.79
Other Wood Products	412.27	403.51	378.28	40.3	39.1	38.6	10.23	10.32	9.80
Furniture & Fixtures	253.34	249.55	220.74	34.8	35.0	28.3	7.28	7.13	7.80
Primary Metals	486.46	499.89	487.58	38.7	39.8	39.9	12.57	12.56	12.22
Fabricated Metals	392.83	380.00	354.86	39.8	38.5	35.7	9.87	9.87	9.94
Machinery	406.29	400.93	383.72	37.9	37.4	37.4	10.72	10.72	10.26
Nondurable Goods	357.27	361.82	351.44	37.1	36.4	36.8	9.63	9.94	9.55
Food & Kindred Products	294.48	289.78	306.16	36.4	33.5	35.6	8.09	8.65	8.60
Canning & Preserving	222.18	219.51	247.81	35.1	30.7	33.9	6.33	7.15	7.31
Other Food Products	395.75	396.14	380.02	38.2	37.8	37.7	10.36	10.48	10.08
Textile Mill Products	217.93	218.96	190.63	37.0	36.8	35.9	5.89	5.95	5.31
Apparel	192.95	192.74	173.96	36.2	35.3	32.7	5.33	5.46	5.32
Paper & Allied Products	542.84	542.15	498.04	41.0	41.8	41.4	13.24	12.97	12.03
Printing & Publishing	376.53	413.35	358.57	33.8	36.1	33.7	11.14	11.45	10.64
Construction 4/	497.06	506.69	513.28	31.7	31.2	32.1	15.68	16.24	15.99
Communications & Utilities 5/	444.29	446.20	405.00	38.6	38.8	38.1	11.51	11.50	10.63
Trade 5/	278.80	272.97	275.95	34.0	33.7	33.9	8.20	8.10	8.14
Wholesale Trade	376.65	361.35	368.81	38.2	37.1	38.1	9.86	9.74	9.68
Retail Trade	231.68	229.19	223.34	32.0	32.1	31.5	7.24	7.14	7.09
Banking & Insurance	264.97	264.29	237.83						
State & Local Government	303.68	301.19	290.87						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

elsewhere, however. Weekly hours for Primary Metals fell 1.1 from March 1983 and the production worker count dropped 1,400 from April 1982. The loss reflects the general weakness in market demand for Primary Metals.

Paper & Allied Products dropped .8 hour off its weekly average due to tight inventory controls still in effect. A $.27 jump in hourly earnings reflects a 6.5% contracted wage increase which went into effect April 1. Costs associated with carrying excess inventory have accounted for several employers scheduling production according to immediate orders on hand thus causing swings in the level of activity reported. Increasing demand for flexible packaging material used in food processing is expected to push weekly hours higher in the coming months. With short-term work orders, mentioned last month, nearing completion, weekly hours for Printing & Publishing have declined.

Construction responded to more favorable weather conditions with a 1,600 increase in the number of production workers. The increase in lower paid workers suppressed average hourly earnings, which fell $.56 for April. Residential and special trade construction employment reported the greatest increase in weekly hours while heavy construction reported the largest jump in persons called back to work.

Trade statistics showed slight improvements with Wholesale Trade gaining 1.1 in average weekly hours and average hourly earnings gaining $.12 over March on the strength of hardware, and plumbing and heating equipment and supplies.

Increases reflected in Lumber & Wood Products and Furniture & Fixtures, demonstrate definite steps toward recovery but were partially offset by continued poor showings in the areas of Primary Metals and some Trade industries. While the recovery has set roots in parts of Oregon's economy, it certainly has not grown in strength to all areas. Only time will tell how far and how well it spreads.

THE EMPLOYER'S CORNER

Twenty Job Service Employer Committees (JSEC's) have been formed to advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC (pronounced JaySec), each issue of the Oregon Labor Trends will feature an article of special interest to employers.

Fran McLean, JSEC State Chairperson and publisher of the "Ontario Argus Observer" takes this opportunity to say:

"If you are looking for qualified employes both professional and nonprofessional, use your local State Employment office. My firm has hired a number of outstanding employes including a bookkeeper, editorial writer, advertising sales people and several production workers through the Ontario Employment Service office."

McLean also suggests you can look at only the best applicants by placing a classified ad in the local newspaper referring all applicants to the local employment office. The employment office will take the applications, do a pre-screening, and refer to you only those who best meet your qualifications.

LOCAL COMMITTEE ACTIVITIES

Most of the JSEC's are not meeting during the summer months. However, the following committees have scheduled workshops or seminars during the summer break.

Klamath Falls	Unemployment Insurance	July 20
Ontario	Employment Interviewing	Aug. 23
Baker	Employment Interviewing	Aug. 24
Springfield-Eugene	Employment Interviewing	Sep. 14

If you need additional information or wish to place a job order, contact your local Employment Service office.□

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JULY 1983

JUNE INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
June '83	9.1	9.1
May '83	10.0	10.2
U.S.		
June '83	10.0	10.2
May '83	10.1	9.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
June 1983:	101.8
May 1983:	101.5
June 1982:	103.0
June 1981:	109.3
June 1980:	110.8
June 1979:	112.8

DIFFUSION INDEX

Oregon	
June 1983:	57.7
May 1983:	51.2
Apr. 1983:	50.0
Mar. 1983:	46.9

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
May 1983:	38.6
Apr. 1983:	38.3
May 1982:	37.4

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA	
May 1983	288.5
Year Change	2.3
U.S.	
June 1983	298.1
Year Change	2.6
Portland Hotline	221-4132

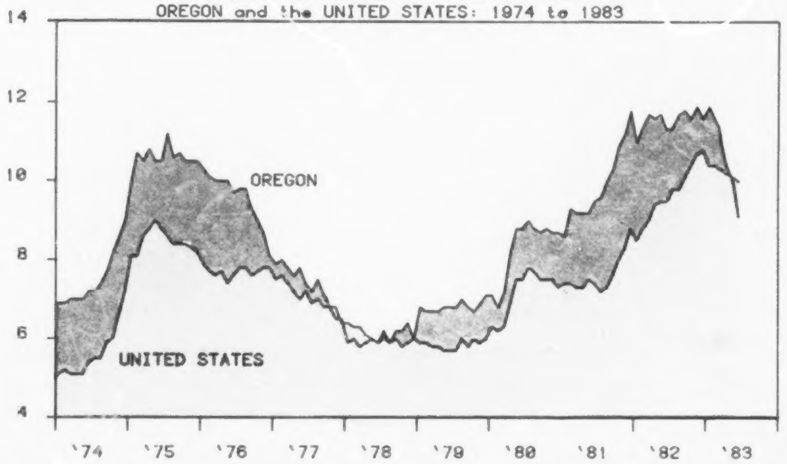
ECONOMY PICKS UP STEAM

The economy continued to build momentum during June in both Oregon and the nation. What started as a fairly weak recovery in early 1983 fueled mostly by a pick-up in national housing construction is now turning into a more robust and widespread recovery.

The combination of strong growth in the nation's money supply over the past year, lower unemployment, lower inflation, and lower interest rates, a surging stock market, reduced income taxes and record high tax refunds this spring seem to have finally convinced consumers that this is a good time to spend money - especially on consumer durable goods like autos, furniture, appliances, and other big-ticket items that are usually purchased on credit. Even though the pace of U.S. housing construction this year has been stronger than most analysts had expected, it is consumer spending accounting for approximately two-thirds of the nation's gross national product, which holds the key to the strength and durability of the recovery. On this score the second half of 1983 looks even better, since consumer confidence and retail sales are rising strongly in the nation.

There are still many problems and concerns that worry economists, such as high unemployment, weak exports, record federal deficits in the $200 billion a year range, and the recent uptrend in both short and long-term interest rates. But for now, the June economic reports provide some welcome rays of sunshine.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1974 to 1983

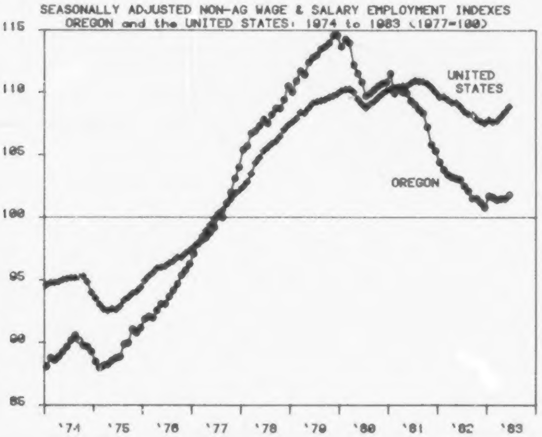


*Civilian Labor Force Only

Nationally, for example, the unemployment rate dropped one tenth of a point in June to 10.0%. The U.S. rate has now dropped nearly one full point since December when unemployment hit a recession peak of 10.8%. Many other national indicators are also showing strength. This is reflected in two composite indicators prepared by the U.S. Department of Commerce. The "index of leading economic indicators", which is designed to foreshadow economic activity, has risen in each of the last 11 months, while the "index of coincident indicators" which tends to move simultaneously with the economy, has increased every month since February.

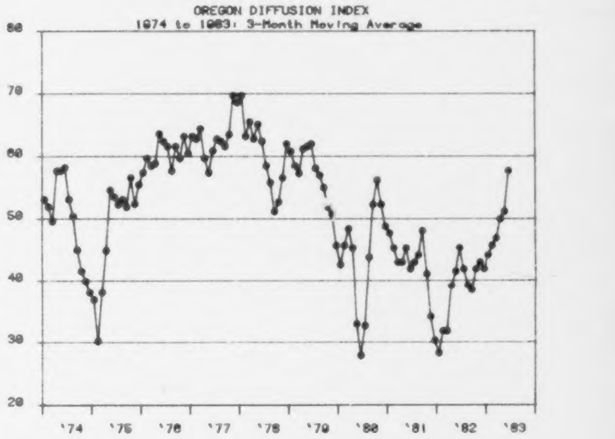
In Oregon, economic improvement also showed no signs of letting up in June. The state's seasonally adjusted unemployment rate plummeted nearly a full point to 9.1% in June from 10.0% in May. It was the second consecutive month in which Oregon's rate was below the nation's. Oregon's rate has dropped every month since January when 11.9% (seasonally adjusted) of the labor force was out of work. Oregon's raw unemployment rate also declined significantly in June (10.2 to 9.1) as the number of jobseekers fell by an unusually large amount (-12,100) despite an influx of over 24,000 people to the summer labor force.

The major reason for the dramatic improvement in Oregon's unemployment picture so far this year is the strong rebound in housing construction nationally which drives Oregon's lumber and wood products industry. A secondary reason for the improvement however is that population out-migration from Oregon which began in 1981 is still occurring, although at a slower pace than in 1982. Last year about 25,000 more residents left the state for "greener pastures" than entered Oregon. This year the net outflow is expected to decline to around -10,000. Additional factors which will benefit the unemployment situation during the summer months are the drop in the number of young people in the population who would normally enter the labor force in June, the sharp expansion in agricultural and food processing activity, and the prospects of a better tourist season this summer.



Oregon's two major employment indicators reinforce the conclusion that the state's economic recovery is getting stronger and more broadly based. The seasonally adjusted nonfarm employment index, which is a good coincident indicator of the economy, rose three tenths of a point to 101.8 in June - the highest level since last August.

Even more encouraging was the jump in Oregon's Diffusion Index to 57.7 in June from May's 51.2. It was the strongest gain in this leading economic indicator since early September 1980! The Diffusion Index measures the percent of some 43 industry categories that show seasonally adjusted employment gains.



Most of the improvement in June came in the manufacturing industries. Hiring activity was most evident in Food Products (+4,000), Lumber and Wood Products (+3,200), and Transportation Equipment (+900). Early harvests, particularly for strawberries and cherries, coupled with increased strawberry acreage this year pushed employment in food processing 1,700 higher than seasonally expected. Employment in agriculture alone surged by over over 15,000 workers in June, the largest increase of any sector.

The lumber and wood products industry also continued to perform much better than expected. Employment, which rose 3,200 over the month, was 7,100 above last year's level. The surprising strength in national housing construction (starts reached annual rates of 1.799 million in May and 1.747 million in June) has encouraged many companies to reopen closed facilities, add shifts, and rebuild inventories. Citing improved economic conditions in the industry, the American Plywood Association recently announced it was discontinuing its series of weekly bulletins on mill closures and curtailments. Another beneficial development with respect to employment levels was the recent conclusion of labor negotiations with some major timber companies which will minimize wage cost pressures over the next three years.

Hiring activity was also on the rise in most other manufacturing industries in June. A 900 job gain in Transportation Equipment resulted primarily from new orders for ship repair work. In metals and machinery manufacturing 800 more workers were added reflecting stronger market demands and the temporary availability of lower cost surplus power to aluminum producers. As a result, seasonally adjusted employment in the Other Durable Goods manufacturing industries (excluding Wood Products) jumped by 2,000 in June. The only major manufacturing category losing jobs last month was the "high-tech" Instruments and Related Products sector which slumped by 200.

Employment trends in nonmanufacturing industries followed normal seasonal patterns for the most part. Two exceptions were Government (-1,100 seasonally adjusted) and Transportation, Communication, and Utilities (-900 seasonally adjusted).

Although construction employment rose seasonally by 1,400 in June, this industry continues to show a large (-3,400) job deficit compared to one year ago. The nationwide housing recovery has not as yet provided much of a boost in Oregon, probably because of continuing population out-migration and high vacancy rates, especially in multi-family housing units. Consequently, most of the job increase in June came in heavy construction, reflecting the acceleration of road construction and repair and other public works projects.

It is still too early to gauge the strength of tourism on Oregon's economy this summer. Employment levels in both Trade and Services, where most tourism-related jobs are found, rose about as expected in June. With consumer confidence and incomes rising, ample supplies of gasoline at reasonable prices, and recreational vehicle sales nationally now running well ahead of last year's pace, it seems likely that Oregon will experience a strong tourist season in 1983. Early indications from the state's six border information centers show that out-of-state visitor counts are up slightly through June compared to a year ago. Although Oregon's improving economy will help to boost in-state travel also, this summer's cooler, wetter weather may cause some visitors to limit their length of stay.

In summary, the latest economic barometers show that the recovery in Oregon and the nation is picking up steam. Although there is virtually no chance that the recovery will run out of gas in the second half of 1983, it is likely that the rate of improvement will begin to slow. The Federal Reserve has allowed the nation's money supply to grow very rapidly during the past year to encourage economic recovery. That emphasis is now changing to one of sustaining the recovery without reigniting inflation. As a result, interest rates have recently begun to rise slightly, including those for home mortgages. This trend, if it continues, represents the main threat to further economic recovery in Oregon. The FED's intent however is to ease back on the economic throttle, not apply the brakes.□

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Many employers experience difficulty in reporting sick leave on their Quarterly Unemployment Insurance Tax Reports. Therefore, our topic this month will be the proper reporting, or perhaps we could say nonreporting of sick leave pay.

> First, to report any sick leave pay you must have a plan which provides sick pay benefits for all employes. If you have such a plan, you may exclude payments made to employes while off work because of sickness.
>
> In the quarterly Employer's Tax Report, simply deduct the sick pay from the individual employe's listed wage and remember to deduct the same amount from all figures used to compute the employer tax. In other words, the sick pay amount should not be included in any of the figures on the tax report.
>
> The sick pay exclusion can mean a quarterly payroll tax savings. In addition, should an employe be terminated and file for unemployment, the lower reported wage could result in a lower weekly benefit amount. The amount of benefits paid directly affects your annual tax rate computation.
>
> This is one of the ways to control your payroll tax expense.

DON'T FORGET ....

If you need additional information or wish to place a job order, contact your local Employment Service.

HOURS AND EARNINGS
GUARDING THE OPTIMISM

While the rest of the country is building a foundation for recovery on lower interest rates, growing consumer spending and home building activity, Oregon continues to rely on its time honored forest products industry. Lower interest rates have been the key in providing for impressive gains in national housing starts. This in turn has given Oregon its much needed shot in the arm. How far and fast the state's economy goes will depend largely on external factors, such as interest rates, over which Oregon has little control.

Stimulus in home building kept average weekly hours for Lumber & Wood Products above the 40 hour workweek for the second month. At 40.4, this is the highest May level since 1973. A broad-based buildup of inventories continued to push Logging & Sawmill and Veneer & Plywood production still higher. Each sector gained .1 in weekly hours, climbing to 40.6 and 40.7 respectively while employing 300 more production workers. Mobile Home production also displayed a surge in activity reflected by the 1.5 increase in weekly hours. Increased overtime and incentive pay pushed average hourly earnings $.20 higher as well.

RESIDENT OREGON LABOR FORCE

	June 1983 1/	May. 1983 2/	Change	% Change	June 1982 5/
Civilian Labor Force 3/	1,367,900	1,343,600	+24,300	+1.8	1,352,000
Unemployment	124,800	136,900	-12,100	-8.8	150,900
Percent of Labor Force	9.1	10.2	xxx	xxx	11.2
Seasonally Adjusted Percent	9.1	10.0	xxx	xxx	11.3
Total Employment 4/	1,243,100	1,206,700	+36,400	+3.0	1,201,100

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

				Change From	
INDUSTRY	June 1983 1/	May 1983 2/	June 1982	May 1983	June 1982
TOTAL 3/	966,700	950,800	978,500	15,900	-11,800
Wage & Salary Employment Index 4/	101.8	101.5	103.0	xxx	xxx
Diffusion Index 5/	57.7	51.2	45.3	xxx	xxx
Total Manufacturing	190,100	180,600	186,300	9,500	3,800
Durable Goods	135,700	130,700	134,600	5,000	1,100
Lumber & Wood Products	64,500	61,300	57,400	3,200	7,100
Logging & Sawmills	33,900	31,800	30,100	2,100	3,800
Veneer & Plywood	18,500	17,900	17,200	600	1,300
Millwork & Structural Wood	6,700	6,400	5,400	300	1,300
Mobile Homes	2,000	1,900	1,300	100	700
Other Wood Products	3,400	3,300	3,400	100	0
Furniture & Fixtures	2,900	2,800	2,300	100	600
Stone, Clay, Glass, & Concrete	3,600	3,600	3,600	0	0
Primary Metals	7,300	7,100	8,000	200	- 700
Blast Furnaces, Iron & Steel	3,900	3,900	4,200	0	- 300
Nonferrous Metals	3,400	3,200	3,800	200	- 400
Fabricated Metals	8,800	8,400	9,500	400	- 700
Fabricated Structural Metals	3,400	3,300	3,700	100	- 300
Other Fabricated Metals	5,400	5,100	5,800	300	- 400
Machinery	14,500	14,300	16,900	200	- 2,400
Electrical Equipment & Supplies	9,400	9,200	10,100	200	- 700
Transportation Equipment	7,800	6,900	7,500	900	300
Instruments & Related Products	14,500	14,700	16,900	-200	- 2,400
Miscellaneous Manufacturing	2,400	2,400	2,400	0	0
Nondurable Goods	54,400	49,900	51,700	4,500	2,700
Food & Kindred Products	25,000	21,000	21,800	4,000	3,200
Canning & Preserving	14,600	10,800	11,500	3,800	3,100
Other Food Products	10,400	10,200	10,300	200	100
Textile Mill Products	1,600	1,600	1,800	0	- 200
Apparel	2,800	2,700	2,800	100	0
Paper & Allied Products	9,600	9,300	9,800	300	- 200
Printing & Publishing	9,900	9,900	10,100	0	- 200
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	500	500	500	0	0
Rubber & Plastic Products	2,600	2,500	2,400	100	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	June 1983	May 1983	June 1982	Change From May 1983	Change From June 1982
(cont.)					
Total Nonmanufacturing	776,600	770,200	792,200	6,400	-15,600
Mining & Quarrying	1,600	1,400	1,900	200	- 300
Construction	28,400	27,000	31,800	1,400	- 3,400
Transportation, Communications, & Utilities	55,200	55,300	57,200	- 100	- 2,000
Transportation	31,400	31,500	32,200	- 100	- 300
Railroad	5,600	5,700	6,200	- 100	- 600
Trucking & Warehousing	16,300	16,400	16,200	- 100	100
Other Transportation	9,500	9,400	9,800	100	- 300
Communications	14,800	14,800	16,000	0	- 1,200
Utilities	9,000	9,000	9,000	0	0
Trade	240,800	238,100	240,600	2,700	200
Wholesale Trade	60,800	60,200	62,600	600	- 1,800
Durable Goods	36,100	35,800	37,400	300	- 1,300
Nondurable Goods	24,700	24,400	25,200	300	- 500
Retail Trade	180,000	177,900	178,000	2,100	2,000
General Merchandise	24,300	23,900	23,100	400	1,200
Food Stores	27,900	27,600	26,700	300	1,200
Auto Dealers & Service Stations	21,900	21,700	21,800	200	100
Other Retail Trade	105,900	104,700	106,400	1,200	- 500
Finance, Insurance, & Real Estate	64,000	63,600	65,300	400	- 1,300
Banking & Credit Agencies	23,400	23,300	23,900	100	- 500
Other Finance, Insurance, & Real Estate	40,600	40,300	41,900	300	- 1,300
Services	187,800	186,200	190,200	1,600	- 2,400
Hotels & Personal Services	21,700	21,300	23,500	400	- 1,800
Health Services	65,600	65,100	65,800	500	- 200
Other Services	100,500	99,800	100,900	700	- 400
Government	198,800	198,600	204,700	200	- 5,900
Federal Government	29,000	28,600	30,500	400	- 1,500
State Government	53,200	53,000	52,500	200	700
Education	22,400	22,600	22,600	- 200	- 200
Other State	30,800	30,400	29,900	400	900
Local Government	116,600	117,000	121,700	- 400	- 5,100
Education	74,000	75,100	75,400	-1,100	- 1,400
Other Local	42,600	41,900	46,300	700	- 3,700
Labor-Management Disputes	700	500	500	200	200

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Hourly earnings in Construction fell $.27, but for the right reasons, as 1,800 more workers were employed. Heavy construction had the greatest impact as improving weather conditions provided the opportunity for several firms to begin weather delayed projects. Residential builders, however, remain cautious about overbuilding due to a still too large backlog of unsold homes. This factor coupled with concerns about interest rates have left weekly hours at their lowest level since the data series was begun in 1951. On the positive side, the .7 April to May increase in weekly hours was .2 above the historic average.

Guarded optimism is in order as the workweek average for total manufacturing continues to gather strength. The recovery is gaining momentum as evidenced by those areas closely allied to the nationwide improvement in housing activity.

The revival in home building has also spurred activity in related industries such as Furniture & Fixtures, where weekly hours rose 1.1. Increases in overtime hours accounted for a $.52 increase in hourly earnings. Elsewhere, the decline in interest rates has not been enough as yet to spark a turnaround in capital spending. As a result, a clear direction for much of Other Durables has not been established. Belt tightening in electrical equipment led to a rocky road for Machinery as production worker employment fell 500 while weekly hours remained unchanged. Primary Metals, on the other hand, reported a 1.0 rebound in weekly hours on the strength of increased activity in aluminum production.

The surge in consumer spending, which is embracing the nation, will be slower to make itself felt here. Average weekly hours in Trade fell .1, while during the past 10 years the average April to May change has been upward .2.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May 2/ 1983	Apr.3/ 1983	May 1982	May 2/ 1983	Apr.3/ 1983	May 1982	May 2/ 1983	Apr.3/ 1983	May 1982
TOTAL MANUFACTURING 4/	$399.90	392.58	370.63	38.6	38.3	37.4	10.36	10.25	9.91
Durable Goods	412.26	407.29	378.89	39.3	39.2	37.7	10.49	10.39	10.05
Lumber & Wood Products	429.32	426.38	381.02	39.9	39.7	37.1	10.76	10.74	10.27
Logging & Sawmills	458.05	459.55	404.06	39.9	40.1	36.9	11.48	11.46	10.95
Veneer & Plywood	430.52	424.66	385.06	40.5	40.1	38.2	10.63	10.59	10.08
Millwork & Struct Wood	318.01	313.50	303.21	38.5	38.0	36.4	8.26	8.25	8.33
Mobile Homes	322.81	274.86	245.36	40.1	34.4	32.2	8.05	7.99	7.62
Other Wood Products	401.19	405.47	352.76	38.8	39.1	36.9	10.34	10.37	9.56
Furniture & Fixtures	249.55	247.68	196.80	35.0	34.4	24.6	7.13	7.20	8.00
Primary Metals	497.30	491.10	493.29	38.7	39.1	40.6	12.85	12.56	12.15
Fabricated Metals	378.62	370.63	361.49	38.4	37.1	37.0	9.86	9.99	9.77
Machinery	401.30	403.10	382.21	37.4	38.1	37.0	10.73	10.58	10.33
Nondurable Goods	363.91	351.91	348.07	36.5	35.8	36.6	9.97	9.83	9.51
Food & Kindred Products	293.86	295.68	303.73	33.7	33.6	35.4	8.72	8.80	8.58
Canning & Preserving	221.43	222.65	247.57	30.5	30.5	34.1	7.26	7.30	7.26
Other Food Products	401.28	396.43	373.80	38.4	37.9	36.9	10.45	10.46	10.13
Textile Mill Products	218.96	225.20	199.65	36.8	38.3	36.3	5.95	5.88	5.50
Apparel	192.74	200.39	180.20	35.3	36.5	34.0	5.46	5.49	5.30
Paper & Allied Products	542.15	515.44	488.82	41.8	40.3	40.6	12.97	12.79	12.04
Printing & Publishing	414.07	372.03	376.57	36.1	34.1	34.9	11.47	10.91	10.79
Construction 4/	506.69	532.33	519.42	31.2	31.8	33.0	16.24	16.74	15.74
Communications & Utilities 5/	446.20	441.90	436.69	38.8	38.9	40.1	11.50	11.36	10.89
Trade 5/	272.97	273.36	276.55	33.7	33.5	34.1	8.10	8.16	8.11
Wholesale Trade	359.78	366.00	368.45	36.9	37.5	38.5	9.75	9.76	9.57
Retail Trade	229.19	226.49	225.70	32.1	31.5	31.7	7.14	7.19	7.12
Banking & Insurance	264.29	258.08	236.08						
State & Local Government	301.19	306.15	289.35						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

HALF OF OREGON'S COUNTIES LOSE POPULATION

Half of Oregon's 36 counties sustained net out-migration rapid enough to cause population losses between mid 1981 and mid 1982. The losses in these 18 counties - and the slower population gains in most of the other 18 - followed job losses in the counties' basic industries.

TIM-BER-R-R!! Population toppled in Oregon's timber areas, felled by extremely high unemployment. The well of new people also ran dry in much of Oregon's dryland farming and ranching country.

Harney County had the state's highest unemployment rates in 1980 and 1981, due to the 1980 shutdown of its wood products industry. Its mid 1981 to mid 1982 population loss was the most rapid in Oregon. Grant County's unemployment rate topped the state in 1982. Crook County's rates were Oregon's second highest in 1980, 1981 and 1982. These three eastern Oregon counties have depended heavily for jobs on the wood products industry.

POPULATION CHANGE
Per Thousand Residents

	Mid-Year 1981-1982	Mid-Year 1980-1981	1970-1980 Annual Ave.
Oregon	- 2	+ 8	+ 26
Harney	-61	-28	+14
Josephine	-36	+30	+51
Polk	-34	+24	+25
Gilliam	-32	-12	-13
Coos	-24	- 9	+13
Crook	-23	+ 8	+27
Grant	-22	- 6	+16
Linn	-16	+ 8	+22
Lane	-16	- 1	+25
Morrow	-16	- 3	+53
Marion	-11	+18	+31
Sherman	- 7	+16	+ 1
Benton	- 6	+20	+24
Curry	- 6	+18	+27
Baker	- 4	+ 8	+ 8
Douglas	- 3	-12	+27
Malheur	- 2	+ 9	+15
Union	- 2	+17	+21
Clackamas	0	+13	+38
Wheeler	0	-50	-20
Jackson	0	+ 7	+34
Columbia	+ 1	+10	+22
Umatilla	+ 2	+14	+27
Tillamook	+ 2	- 2	+16
Clatsop	+ 3	+ 3	+13
Lake	+ 3	+ 7	+17
Multnomah	+ 5	- 2	+ 1
Yamhill	+ 5	+13	+32
Hood River	+ 9	- 5	+18
Klamath	+10	- 6	+17
Deschutes	+11	+18	+74
Wallowa	+12	+ 3	+15
Wasco	+13	+23	+ 8
Washington	+18	+24	+45
Jefferson	+23	+21	+31
Lincoln	+30	+ 6	+32

Baker and Union Counties also sustained wood products losses, but their comparatively diversified manufacturing sectors protected them from large population losses.

Gilliam County, the only county in Oregon without a wood products industry, perennially has the state's lowest unemployment rate. Population dwindled in this wheat and cattle county throughout the 1970s. Low agricultural prices have sped this negative trend. In Sherman County, also a dry land ranching and farming area had almost no growth during the 1970s, population rose from mid 1980 to mid 1981, and then fell the following year.

In Morrow County, the state's second fastest growing county during the 1970s, population has fallen off since the completion of some large Columbia River construction projects in 1980. Malheur, a vast agricultural county with most of its population bunched near the Idaho border, also lost people.

Josephine and Curry Counties grew rapidly during the 1970s and continued to grow through mid 1981 in spite of high unemployment rates. These southwestern Oregon counties finally lost population from mid 1981 to mid 1982.

Western Oregon's most productive timber region continued to lose people. Out-migration continued from Coos, Douglas, Lane and Linn Counties as the wood products industry hit its low point in spring 1982.

Decreases in college and university enrollment and jobs, as well as wood products jobs, prompted a turnaround in Polk and Benton Counties population trends. Losses of state government employment had a similar effect in Marion County.

HOLDING ON Ten more counties sustained net out-migration, though not enough to give them over-all population losses.

Wheeler County had the state's highest unemployment rate in 1979, following the 1978 shutdown of its wood products industry. Already the least populous county, it sustained the state's most rapid population loss during the 1970s and through mid 1981. Enough out-migration continued through mid 1982 just to offset the county's natural increase.

Umatilla County, with the most diversified economy in Eastern Oregon, held on with a slight population gain. Lake County in the south-central ranching region sustained mild wood products losses followed by a mild net out-migration. Population fell in Jackson County's two largest cities from mid 1981 to mid 1982, following job losses in fruit and vegetable processing as well as wood products.

The recession gradually reached into almost all types of manufacturing and trade, taking away jobs in the Portland area. In densely populated Multnomah County the slow out-migration trend that began in the 1970s continued through mid 1982. Clackamas, Columbia and Yamhill Counties, largely rural but with much of their population close to the Metro center, experienced their first year of net out-migration after strong growth in the 1970s.

Problems in the dairy products and seafood processing industries, as well as in wood products, made jobs scarce in Tillamook and Clatsop Counties. In these north coastal counties a moderate outflow that began in 1980 continued into 1982.

HEADING FOR THE HILLS Oregonians have been heading for high ground, as the white areas of the map illustrate. All the counties on the eastern slopes of the Cascades, plus mountainous Wallowa County, received net immigration from mid 1981 to mid 1982. The trend toward development of year-round recreational facilities and retirement and vacation homes gained strength as mortgage rates began dropping in mid 1981.

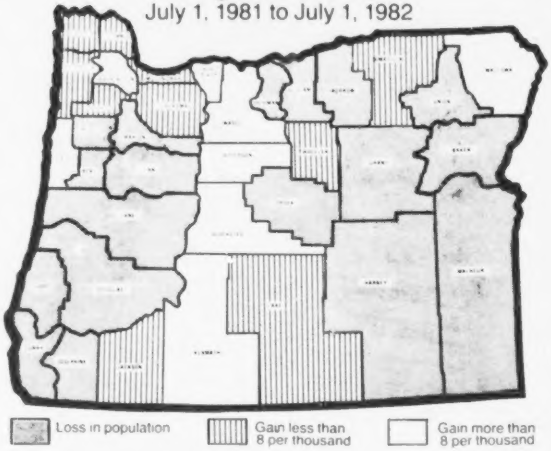
Slow movement of people resumed into remote and beautiful Wallowa County. Klamath and Hood River Counties, after losing population from mid 1980 to mid 1981, hosted a slow in-migration the following year. The recession slowed but did not stop a net flow of people into Deschutes County, Oregon's fastest growing county during the 1970s. Development of the scenic area around Maupin and the new settlement at Rajneeshpuram accounted for most of Wasco County's new population.

Movement of people into Jefferson County continued almost as though there were no recession. The migration augmented this scenic county's young population, which had Oregon's highest rate of natural increase.

Washington County, the location of much of Oregon's new industry, continued to grow fairly rapidly, though not nearly matching the frantic pace of the 1970s. The Tigard area absorbed almost half of the county's mid 1981 to mid 1982 population growth.

Lincoln County, the Oregon Coast's premier recreation and retirement area, was the state's fastest growing county, in spite of having the lowest rate of natural increase. After a pause in growth from mid 1980 to mid 1981, the county returned nearly to its 1970s growth rate.

CHANGE IN POPULATION
Oregon Counties
July 1, 1981 to July 1, 1982


▨ Loss in population
▥ Gain less than 8 per thousand
☐ Gain more than 8 per thousand

THE TRENDS: PEOPLE FOLLOW JOBS

Three distinct population trends emerge from this survey of Oregon's counties:

- People move where jobs are plentiful, and leave areas where jobs are particularly scarce.

- In dryland areas long term population growth is slow or even negative.

- In scenic areas strong population growth continues as people acquire retirement and vacation homes.

Population growth will gradually resume in most of Oregon's counties - including the timber counties - as more jobs become available. It will probably bounce back most rapidly along the "I-5 Corridor" of western Oregon. Provided economic recovery continues through this year, a moderate in-migration will again be flowing into most areas of the state by 198

OREGON LABOR TRENDS

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Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

AUGUST 1983

JULY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
July '83	9.9	9.5
June '83	9.1	9.1
U.S.		
July '83	9.5	9.4
June '83	10.0	10.2

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
July 1983:	100.9
June 1983:	102.0
July 1982:	102.5
July 1981:	109.0
July 1980:	109.7
July 1979:	113.0

DIFFUSION INDEX

Oregon	
July 1983:	50.8
June 1983:	57.4
May 1983:	51.2
Apr. 1983:	50.0

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
June 1983:	39.2
May 1983:	39.0
June 1982:	39.0

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
July 1983	291.5
Year Change	- 0.3
U.S.	
July 1983	299.3
Year Change	2.4
Portland Hotline	221-4132

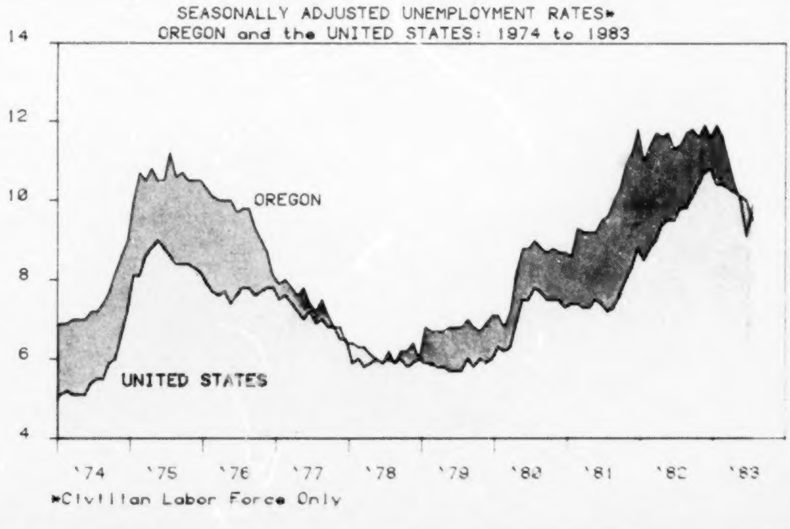
OREGON'S SLOW RECOVERY

Although still in the early stages of recovery both the nation and state appear to have turned the economic corner. In fact the national recession officially ended in November 1982 with Oregon following soon afterward. Spurred by lower interest rates, the nation's economy boomed relative to what was expected during the first half of 1983. GNP grew 2.6% during the first quarter then jumped to 8.7% in the second quarter in what was expected to be a slow upward climb. But this sudden strength posed future problems as demand for money by both public and private borrowers began to force interest rates higher.

With Oregon's economy still weak after a severe three year recession, a rise in interest rates plus the strength of America's dollar overseas may portend bad news in months to come. Oregon's three employment related indexes pointed in a negative direction in July. The unemployment rate climbed to 9.9% from June's 9.1%, the nonfarm wage & salary employment index dropped 1.1 point to 100.9, and the diffusion index dipped to just above the fifty mark (50.8) after a strong June rise.

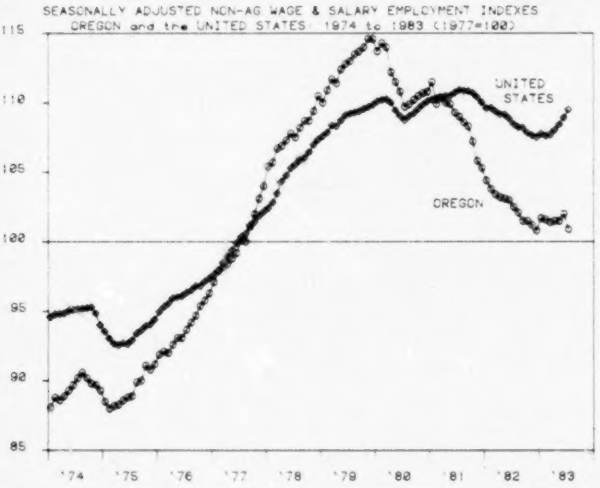
All three indexes reflected an exceptionally strong performance in June which left little room for improvement in July, a characteristically high employment growth month for the private sectors.

This year private sector wage & salary employment rose by 200 jobs between June and July. By comparison, 1978 and 1982 gains were 5,500 and 3,600 respectively. Government employment,



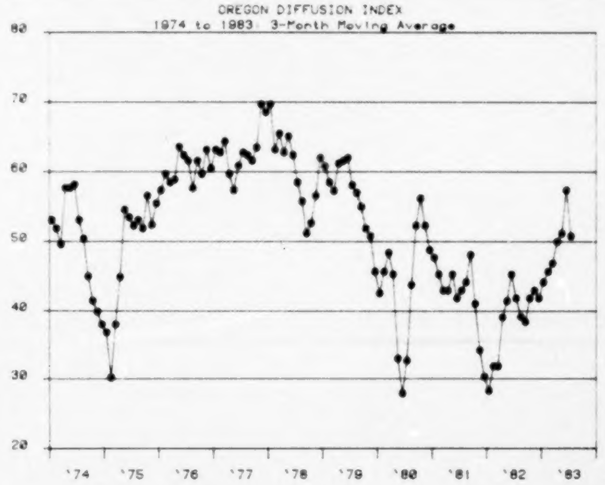
which typically declines as schools recess for summer, dropped more than expected. Overall the manufacturing industries gained only 300 jobs as all industries reflected weak movement.

After experiencing an excellent June, Lumber & Wood Products employment refused to make further gains in July. The seasonally expected job gains of 1,300 never materialized as higher inventory levels and concerns over rising interest rates stymied the industry. For the first part of 1983 many mills ran at high production levels to fill inventories in both the wholesale and retail sectors. It now appears that the inventory pipeline is near capacity, so further employment growth will probably occur only if there is an increased demand by Wood Products consumers. Employment in Millwork & Structural Wood did increase as more firms reported production increases. But elsewhere in Lumber & Wood Products, employment stayed the same or dropped. A drop of 200 in Veneer & Plywood reflected some layoffs due to decreased demand. As interest rates go up, any increase in demand may be handled through overtime by existing employes rather than increased employment, which may portend a slow growth scenario for this industry.



Positive news did come to Oregon's timber industry as Congress passed legislation extending some timber harvesting contracts. Many companies had bid the price up on Federal timber contracts during the early part of the recession thinking that lumber prices would continue to rise and that the recession would be short. As both these assumptions proved wrong, many lumber firms were left with trees to harvest that cost more than the market value of the finished lumber. As a temporary solution, Congress extended these contracts by five years. This may lead to some short-term job losses, but should contribute to the overall health of the industry.

Total Durable Goods less wood products employment in July stayed even with June levels; however, some interesting trends were developing. Three industries with reliance on the prosperity in Lumber & Wood Products increased in employment. Although the gains were small, these increases along with the reported increased overtime reflect typical behavior of industries in the initial stages of recovery. Stone, Clay, Glass & Concrete, and Fabricated Metals added 300 employes while Furniture and Fixtures increased by 100. A climb of 100 in Primary Metals reflected increased demand coupled with temporary decreases in electricity costs. The rest of this sector awaits a maturing of the recovery and the resultant increase in capital expenditures.



After a tremendous employment gain in June little was left for July, thus Food Products employment increased a mediocre 600. After seasonal adjustment Food employment looked like this: May: 24,000, June: 26,300, July: 22,900, with all the movement attributable to Canning and Preserving. These seasonal changes are less reflective of economic changes than of just an abnormal crop maturation and harvesting pattern.

Vacation shutdown at one firm dropped employment in both the Textile and Apparel industries. Elsewhere, Paper Products increased at their normal summertime rate and Petroleum Refining employers hired summer help. Both industries are experiencing marginal demand increases.

Nonmanufacturing employment stayed essentially even in July after discounting the public sector decline.

July's 1,100 gain in Construction actually reflected a normal seasonal gain in building construction and a drop in heavy construction. This industry remains plagued by weak consumer spending and high vacancy rates in housing for most Oregon cities. Since the beginning of 1983 heavy construction has shown the most improvement due to increased public works projects and road repair.

Lumber shipments and agricultural harvests have contributed to the health of Transportation. Only the sector Other Transportation lost ground as school buses ceased operations for the summer. Utility employment continues its downward trend as two utilities retrench after large losses in their WPPSS and Pebble Springs ventures.

Trade employment climbed past seasonal expectations on the back of the Retail employment gain. Wholesale trade actually dropped 200 employes after seasonal adjustment, while Retail trade rose by a seasonally adjusted 500 jobs. Largest gains occurred in Food Stores (+400) aided by hiring by two large stores. Also sharing in the positive employment picture were most Other Retail Trade sectors, except Gasoline Service Stations and Eating & Drinking Places. Both these sectors experienced normal seasonal declines.

Employment gains were only half what was normally expected in Finance, Insurance, and Real Estate. The increase did come in the depressed Real Estate sector as consumers took advantage of mortgage interest rates before they began to rise.

Within the Service sector, employment dropped as private education facilities dismissed for the summer. Countering this drop were Hotel employment (+300), Auto Repair (+100), and Amusements (+200), all summer tourist related activities. Overall, Service employment lost 1,000 jobs when compared to normal July hiring.

Public Education dropped 28,200 jobs as school ended for the summer. This decline was greater than previous years due mainly to the shrinking educational budgets. Many school systems are either working with a smaller budget or are yet to receive a budget from the voters.

In summary, the nation's broad based industry recovery appears certain even though interest rates are creeping upward. However, Oregon's interest sensitive economic structure remains on the brink. If interest rates climb slightly, then retrace their steps downward, Oregon will maintain a slow growth stance. This scenario seems possible given the need for economic strength going into an election year. The key remains with interest rates though; if the national economy can sustain itself even with higher interest rates, then Oregon may be left to cope by itself.□

JACKSON COUNTY PROFILE

Jackson County is located in Southern Oregon, surrounded by rugged mountains. The Cascade Range rises to the east. On the northern border is the Umpqua Divide, a spur of the Cascade Range. The Siskiyou Mountains lie in the south and southwest part of the county. The wild and scenic Rogue River has its headwaters in the Cascades and flows through Jackson County on its way to the Pacific Ocean.

With approximately 134,000 residents, Jackson County is Oregon's sixth most populous county. It has the largest population of any county outside of the Willamette Valley. The two largest cities are Medford with 40,000 residents and Ashland with 15,000 residents. Approximately 100,000 people live in the Medford-Ashland urban area.

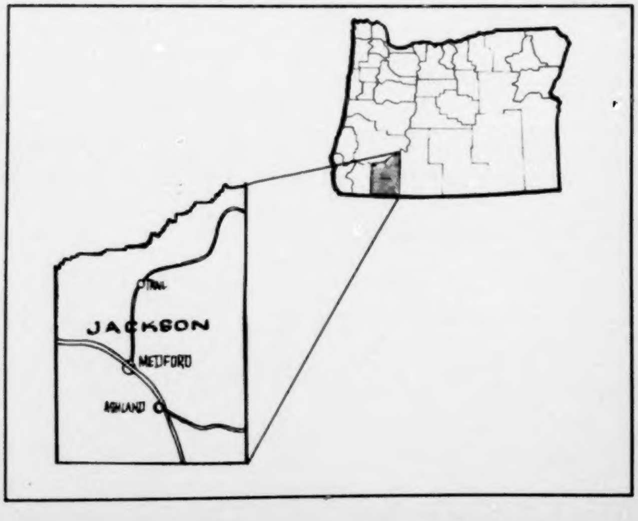
During the 1970's Jackson County's population grew by nearly 40,000 with an average growth rate of just under three and one half percent per year. Most of the increase occurred because of people moving to the area. After the 1980 Census, Jackson County was designated the Medford Metropolitan Statistical Area. Since 1980, the population has grown very little because of the recent economic recession.

The economy of Jackson County is heavily dependent upon three industries: lumber and wood products manufacturing, agriculture, and tourism. These three segments provide a strong employment and income base for the rest of the economy when times are good. However, the local area is very susceptible to adverse trends in the national economy. In addition, the seasonal nature of these sectors results in high employment in the summer and fall, but also contributes to high unemployment in the winter.

The lumber and wood products industry comprises about 65 percent of total manufacturing employment and over 70 percent of manufacturing payroll. The heavily timbered areas of Southern Oregon supply logs to local mills which produce lumber, plywood, and other wood products. Anticipated reductions in timber supply, competition from mills in southeastern states, and technological change may all act to reduce numbers of jobs in the wood products industry.

The primary agricultural activity in Jackson County is the growing and marketing of pears. There are about 10,000 acres of pear orchards in the Rogue Valley. Approximately 1,500-2,000 seasonal jobs stem from the harvesting, sorting, and shipping of pears each fall. A substantial part of the Rogue Valley's agri-business activity is the retailing of gift packs of pears and other agricultural products by mail order.

Tourism is Jackson County's third basic economic activity. People are attracted to the county for fishing, hunting, camping, and rafting the Rogue River. Ashland is the site of the Oregon Shakespearean Festival which performed 12 plays in three



RESIDENT OREGON LABOR FORCE

	July 1983 1/	June 1983 2/	Change	% Change	July 1982 5/
Civilian Labor Force 3/	1,346,300	1,370,700	-24,400	-1.8	1,330,800
Unemployment	127,800	125,000	+ 2,800	+2.2	142,800
Percent of Labor Force	9.5	9.1	xxx	xxx	10.7
Seasonally Adjusted Percent	9.9	9.1	xxx	xxx	11.4
Total Employment 4/	1,218,500	1,245,700	-27,200	-2.2	1,188,000

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	July 1983 1/	June 1983 2/	July 1982	Change From June 1983	Change From July 1982
TOTAL 3/	942,200	969,300	956,900	-27,100	-14,700
Wage & Salary Employment Index 4/	100.9	102.0	102.5	xxx	xxx
Diffusion Index 5/	50.8	57.4	41.9	xxx	xxx
Total Manufacturing	190,500	190,200	190,400	300	100
Durable Goods	135,700	135,600	134,200	100	1,500
Lumber & Wood Products	64,400	64,400	57,100	0	7,300
Logging & Sawmills	33,700	33,700	30,900	0	2,800
Veneer & Plywood	18,300	18,500	16,500	- 200	1,800
Millwork & Structural Wood	6,900	6,700	5,300	200	1,600
Mobile Homes	2,000	2,000	1,400	0	600
Other Wood Products	3,500	3,500	3,000	0	500
Furniture & Fixtures	2,900	2,800	2,300	100	600
Stone, Clay, Glass, & Concrete	3,900	3,600	3,600	300	300
Primary Metals	7,400	7,300	7,900	100	- 500
Blast Furnaces, Iron & Steel	4,000	3,900	4,200	100	- 200
Nonferrous Metals	3,400	3,400	3,700	0	- 300
Fabricated Metals	9,200	8,900	9,100	300	100
Fabricated Structural Metals	3,700	3,500	3,700	200	0
Other Fabricated Metals	5,500	5,400	5,400	100	100
Machinery	14,500	14,500	16,500	0	- 2,000
Electrical Equipment & Supplies	9,300	9,400	10,200	- 100	- 900
Transportation Equipment	7,400	7,800	8,000	- 400	- 600
Instruments & Related Products	14,200	14,500	17,000	- 300	- 2,800
Miscellaneous Manufacturing	2,500	2,400	2,500	100	0
Nondurable Goods	54,800	54,600	56,200	200	- 1,400
Food & Kindred Products	25,800	25,200	27,100	600	- 1,300
Canning & Preserving	15,200	14,700	16,600	500	- 1,400
Other Food Products	10,600	10,500	10,500	100	100
Textile Mill Products	1,200	1,600	1,600	- 400	- 400
Apparel	2,400	2,800	2,400	- 400	0
Paper & Allied Products	9,700	9,600	9,600	100	100
Printing & Publishing	10,100	10,000	10,100	100	0
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	600	500	500	100	100
Rubber & Plastic Products	2,600	2,500	2,400	100	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	July 1983	June 1983	July 1982	Change From June 1983	Change From July 1982
(cont.)					
Total Nonmanufacturing	751,700	779,100	766,500	-27,400	-14,800
Mining & Quarrying	1,600	1,600	1,900	0	- 300
Construction	29,800	28,700	32,400	1,100	- 2,600
Transportation, Communications, & Utilities	55,800	55,800	57,100	0	- 1,300
Transportation	32,200	32,000	32,100	200	100
Railroad	5,700	5,800	6,100	- 100	- 400
Trucking & Warehousing	17,100	16,600	16,400	500	700
Other Transportation	9,400	9,600	9,600	- 200	- 200
Communications	14,700	14,800	15,900	- 100	- 1,200
Utilities	8,900	9,000	9,100	- 100	- 200
Trade	241,800	241,200	241,500	600	300
Wholesale Trade	60,600	60,700	62,600	- 100	- 2,000
Durable Goods	36,100	36,100	36,900	0	- 800
Nondurable Goods	24,500	24,600	25,700	- 100	- 1,200
Retail Trade	181,200	180,500	178,900	700	2,300
General Merchandise	24,500	24,200	23,500	300	1,000
Food Stores	28,400	28,000	27,500	400	900
Auto Dealers & Service Stations	22,200	22,100	21,600	100	600
Other Retail Trade	106,100	106,200	106,300	- 100	- 200
Finance, Insurance, & Real Estate	64,200	64,000	65,800	200	- 1,600
Banking & Credit Agencies	23,500	23,500	23,800	0	- 300
Other Finance, Insurance, & Real Estate	40,700	40,500	42,000	200	- 1,300
Services	186,300	188,300	188,300	- 2,000	- 2,000
Hotels & Personal Services	22,100	21,800	23,100	300	- 1,000
Health Services	65,500	65,400	65,600	100	- 100
Other Services	98,700	101,100	99,600	- 2,400	- 900
Government	172,200	199,500	179,500	-27,300	- 7,300
Federal Government	29,600	29,400	30,500	200	- 900
State Government	47,100	53,600	48,100	- 6,500	- 1,000
Education	16,100	22,400	18,000	- 6,300	- 1,900
Other State	31,000	31,200	30,100	- 200	900
Local Government	95,500	116,500	100,900	-21,000	- 5,400
Education	51,600	73,500	53,800	-21,900	- 2,200
Other Local	43,900	43,000	47,100	900	- 3,200
Labor-Management Disputes	700	700	100	0	600

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

theaters to nearly 300,000 persons in 1982. The City of Jacksonville, the original county seat, was designated a national historic landmark in 1967. It is the site of the Jacksonville Museum (the old courthouse) and the annual Peter Britt Music Festival. Skiing is available in the winter months at Mt. Ashland. Medford is 2-1/2 hours from the Pacific Ocean and two hours from Diamond and Crater Lakes.

A level of public service employment in Jackson County is fairly high. Many federal government jobs are related to the timber industry. The headquarters for the Rogue River National Forest and the Medford District of the Bureau of Land Management are located in Medford. In addition, the U.S. Veterans Administration operates a domicillary in White City, north of Medford. Another major government employer is Southern Oregon State College, a four-year institution offering degrees in liberal arts and professional programs, located in Ashland.

In recent years, Jackson County has experienced sizeable growth in its retirement age population. The increase in the number of persons retiring in this area has been partly the cause of the strong growth in medical services. The Medford area also serves as a regional center for health care.

Jackson County is beginning to recover from the worst economic downturn since the Great Depression of the 1930s. The slump in the market for lumber and wood products, due to high interest rates and tight money, caused employment in the wood products sector to fall by one-third. Construction employment fell by over 50 percent. As the recession continued, transportation, utilities trade and the financial sector all decreased. Reductions in revenue and more conservative government philosophy have caused substantial job losses in the public sector. Only services managed to gain. Most of the increase was in Medical services,

In late 1982 a sharp rise in the demand for wood products, spurred by a reduction in interest rates, caused a long-awaited upswing in employment in wood products. With housing starts nationally anticipated to total 1.5 million units or more in 1983 and higher in 1984, the outlook for those years locally is much improved, unless interest rates rise again.

With such a heavy dependence on three industrial sectors, there is a great interest in the county to diversify the economic base, especially the manufacturing base. In the last two years employment has increased sharply in what is often termed "high tech" manufacturing. This growth has helped to offset some of the loss experienced in other manufacturing industries.

One issue which may make industrial expansion more difficult is the Medford area's air quality problem. The core industrial area has been designated an "Air Quality Maintenance" area by the federal government. The county also faces possible federal sanctions if it fails to implement an auto inspection and maintenance program to control carbon monoxide emmissions. In the past 10 years, industry has expended millions of dollars to reduce the level of smog and suspended particles. Now, the two major air quality problems are auto emmission and pollution from wood burning stoves. The Medford MSA has much hard work ahead of it to achieve needed industrial expansion and still maintain the liveability which attracts so many persons to the area in the first place.□

HOURS AND EARNINGS – GENERALLY ENCOURAGING

The trends in production worker hours and earnings were generally encouraging in June just as the employment and unemployment numbers were that month. Improving lumber prices and rebuilding of depleted inventories in combination with an increase in the number of would-be buyers who could afford to buy combined to hold Lumber & Wood Products activity at its "higher than last year" level. Compared with June 1982, this month's number of production workers was 8,800 greater and average weekly hours .5 higher. The strongest gain in average weekly hours came from Millwork & Structural Wood which posted an increase of 1.6 hours, with reduced inventories and increased demand cited as the contributing factors. Following close behind with a jump of .4 hour was Veneer & Plywood, responding to improved market conditions. Logging & Sawmills lost .8 in average weekly hours for June but gained nearly 1,600 more production workers over the month and 4,300 over the year. Many mills were running at near capacity with increased market prices for framing lumber setting the trend. A strong demand for most species of studs indicated increased building activity as opposed to remodeling work. Mobile Home production climbed to its highest level nationally in several years. The number of production workers grew by nearly 100 from May and average hourly earnings fell by $.63 as new employes entered at lower pay rates. A gain of 700 production workers over the year ago level further indicated that the national market conditions were having a positive effect on Oregon's mobile home industry.

The combination of low cost surplus energy, dwindling inventories, and some increasing demand for aluminum prompted action to restart dormant potlines. As a result, Primary Metals posted an increase in average weekly hours of 1.4 and a decrease in average hourly earnings of $.06. Overtime, more business, and longer work weeks all blended together to form an increase of nearly 400 additional production workers in June (down 1,600 from June 1982) and a .9 increase in average weekly hours for Machinery.

Hourly earnings for Construction fell again (-$.39) as the number of construction workers climbed an additional 700. Weekly hours in Street and Highway Construction rose 1.3 as gasoline taxes flowed into the state and new projects were started. While Oregon residential construction was still cautious due to interest rate uncertainties and a backlog of unsold homes, remodeling activity continued. Average weekly hours in the Masonry, Stonework, Tile Setting, and Plastering industries posted a 5.0 hour per week increase due primarily to overtime and returns from layoff.

Food & Kindred Products gained 3,900 production workers over the May level with earlier than normal harvests and start up of the canning & preserving season. Nearly 2,800 more production workers were recorded in June 1983 than in June 1982 for Canning & Preserving. Average weekly hours made a gain of .9 while average hourly earnings fell $.04. Fewer average hours worked in meat and dairy products and a doubling in overtime for bakery products led Other Food Products to drop .3 hours and gain $.16 per hour. Increased overtime in Textile Mill Products boosted average weekly hours by 1.1 and average hourly earnings by $.04, while industrial and seasonal increases combined with "rebuilding" activities to account for a .9 jump in average weekly hours for Apparel; 6.2 below June 1982 levels. Slowly improving market conditions for wood pulp, inventory declines, and increased paper production (following rising demand for corrugated cartons and lineboard as well as computer bond paper) aided in pushing average weekly hours up by .8 in Paper & Allied Products and production worker counts by nearly 400.

While there were "ups" and "downs", performance in Trade was encouraging. Increased optimism on the part of consumers concerning their purchasing power led the way to a gain of .9 in average weekly hours and 2,900 additional nonsupervisory workers for Retail Trade. Given the current trend, consumer purchase plans point to optimistic projections for the next few months. Wholesale Trade also experienced "ups" and "downs" but the "downs" ultimately won out. Photographic and Hobby Goods were the main losers in Wholesale Trade with a decline in average weekly hours of 5.4 while Hardware, Plumbing & Heating Equipment and Supplies jumped 2.4 average hours per week.

Advancements can be seen in the past month and past year in various areas; chiefly lumber & wood products and certain areas of retail trade. Given the combination of improving consumer attitudes toward the economy and "postponed" purchases with government fiscal policies, we should see continued improvement in the health of hours and earnings in the next few months.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	June 2/ 1983	May 3/ 1983	June 1982	June 2/ 1983	May 3/ 1983	June 1982	June 2/ 1983	May 3/ 1983	June 1982
TOTAL MANUFACTURING 4/	$406.11	$401.70	$396.24	39.2	39.0	39.0	$10.36	$10.30	$10.16
Durable Goods	424.00	415.91	411.44	40.0	39.8	39.6	10.60	10.45	10.39
Lumber & Wood Products	443.59	439.43	435.71	40.4	40.5	39.9	10.98	10.85	10.92
Logging & Sawmills	474.41	473.34	475.53	39.9	40.7	41.1	11.89	11.63	11.57
Veneer & Plywood	443.06	435.49	422.40	41.1	40.7	38.4	10.78	10.70	11.00
Millwork & Struct Wood	332.90	317.38	321.90	40.4	38.8	39.4	8.24	8.18	8.17
Mobile Homes	321.77	348.57	298.78	41.2	41.3	35.4	7.81	8.44	8.44
Other Wood Products	441.32	425.49	392.06	41.4	40.6	38.4	10.66	10.48	10.21
Furniture & Fixtures	292.59	279.82	267.40	37.9	35.6	35.0	7.72	7.86	7.64
Primary Metals	510.46	495.46	476.35	41.1	39.7	39.4	12.42	12.48	12.09
Fabricated Metals	389.42	396.50	361.08	39.9	40.5	36.0	9.76	9.79	10.03
Machinery	399.11	391.40	396.13	38.9	38.0	38.2	10.26	10.30	10.37
Nondurable Goods	358.16	360.14	357.75	37.0	36.6	37.5	9.68	9.84	9.54
Food & Kindred Products	296.30	303.58	300.61	35.4	35.3	35.2	8.37	8.60	8.54
Canning & Preserving	236.57	231.57	241.96	33.7	32.8	33.1	7.02	7.06	7.31
Other Food Products	411.77	408.72	389.13	38.7	39.0	38.3	10.64	10.48	10.16
Textile Mill Products	219.41	211.45	211.83	37.0	35.9	39.3	5.93	5.89	5.39
Apparel	203.31	193.31	226.03	37.1	36.2	43.3	5.48	5.34	5.22
Paper & Allied Products	565.32	547.55	532.13	42.0	41.2	41.9	13.46	13.29	12.70
Printing & Publishing	368.76	374.00	368.53	33.8	34.0	34.8	10.91	11.00	10.59
Construction 4/	490.96	494.40	552.56	32.6	32.0	34.6	15.06	15.45	15.97
Communications & Utilities 5/	469.66	449.30	428.06	39.6	38.6	39.2	11.86	11.64	10.92
Trade 5/	283.85	281.47	280.70	34.7	34.2	34.4	8.18	8.23	8.16
Wholesale Trade	380.14	381.38	371.09	37.9	38.1	38.1	10.03	10.01	9.74
Retail Trade	237.71	232.88	231.34	33.2	32.3	32.4	7.16	7.21	7.14
Banking & Insurance	271.18	271.75	241.23						
State & Local Government	303.69	304.25	292.21						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

THE EMPLOYER'S CORNER

Twenty Job Service Employer Committees (JSEC'S) advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC, each issue of the Oregon Labor Trends will feature an article of special interest to employers.

CHECKLIST TO REDUCE COSTS OF UNEMPLOYMENT INSURANCE

1. Make one person responsible for handling all matters relating to Unemployment Insurance.
2. Maintain complete and accurate personnel records, particularly relating to disciplinary actions.
3. Review each separation with respect to its impact on your experience rating and carefully record all separation information.
4. Thoroughly check charges to your account as they are received to determine their accuracy.
5. Consider re-hiring former employes first, before filling vacancies with new employes.
6. Give close attention to all communication (particularly forms) from the Employment Division and take necessary action within the time alloted.
7. Always appear at any scheduled hearing when an appeal has been filed. To not do so may allow the appeal to fail by default.
8. GIVE ATTENTION TO EVERY CLAIM FILED AGAINST YOUR ACCOUNT AND APPEAL ALL CASES WHICH DO NOT SEEM TO BE CLEARLY COVERED BY STATUTORY PROVISIONS AND EMPLOYMENT DIVISION REGULATIONS.

UNEMPLOYMENT INSURANCE SEMINARS FOR SEPTEMBER

Medford	The Red Lion	Sept. 21, 1983
Grants Pass	Conference Center	Sept. 22, 1983

CONTACT YOUR LOCAL EMPLOYMENT OFFICE FOR FURTHER INFORMATION.□

IMPORTANT NOTICE FOR EMPLOYERS IN LABOR SURPLUS AREAS

Several Oregon jurisdictions which currently qualify as a "labor surplus area" will no longer be eligible after October 1, 1983. A new concept of 10.0% or higher unemployment rate during 1981-82 will be used rather than the "20% above national average" concept. Areas not expected to qualify are:

Benton
Gilliam
Jefferson
Malheur
Morrow
Sherman
Washington
Eugene City *
Portland City *
Salem City
Balance of Clackamas
  less Portland City *
Balance of Multnomah
  less Portland City *
Balance of Marion
  less Salem City
Balance of Polk
  less Salem City

* Currently qualifying. Any firms in these four areas planning to seek federal contracts should expedite their bidding process before losing their procurement preference.

Areas expected to remain qualified are:

Baker
Clatsop
Columbia
Coos
Crook
Curry
Deschutes
Douglas
Grant
Harney
Hood River
Jackson
Josephine
Klamath
Lake
Lincoln
Linn
Tillamook
Umatilla
Union
Wallowa
Wasco
Wheeler
Yamhill
Balance of Lane
  less Eugene City

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657.

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DEPARTMENT OF HUMAN RESOURCES
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OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

SEPTEMBER 1983

AUGUST INDICATORS

UNEMPLOYMENT RATE

	S.A.	Raw
Oregon		
Aug. '83	9.8	9.1
July '83	9.9	9.5
U.S.		
Aug. '83	9.5	9.2
July '83	9.5	9.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Aug. 1983:	101.1
July 1983:	101.4
Aug. 1982:	102.1
Aug. 1981:	108.6
Aug. 1980:	109.9
Aug. 1979:	113.5

DIFFUSION INDEX

Oregon	
Aug. 1983:	54.7
July 1983:	52.3
June 1983:	57.4
May 1983:	51.2

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
July 1983:	38.1
June 1983:	39.1
July 1982:	37.7

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
July 1983	291.5
Year Change	- 0.3
U.S.	
Aug. 1983	300.3
Year Change	+ 2.6
Portland Hotline	221-4132

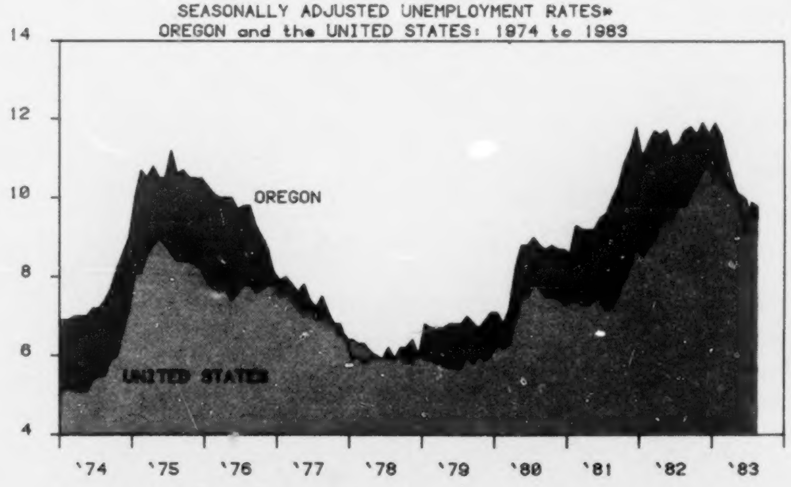
UNEMPLOYMENT RATE DOWN AGAIN

Oregon's unemployment rate re-established its downward trend in August following July's rise. The seasonally adjusted unemployment rate declined slightly from 9.9% to 9.8% as the state's economy resumed a slow recovery pattern after two volatile months. Total unemployment for the month dropped to 123,000, down 4,900 from July and was the lowest figure since September 1981.

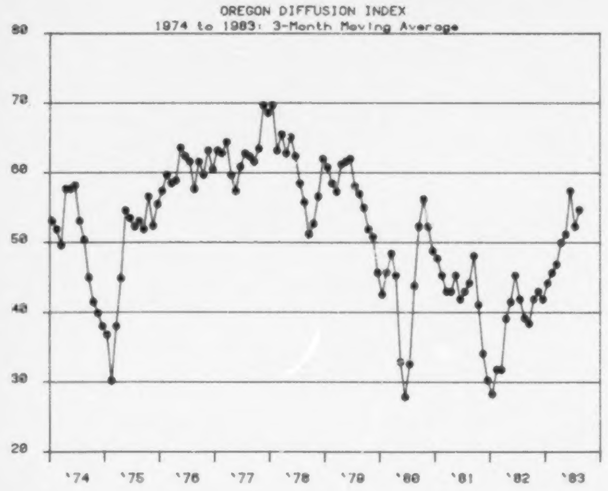
Two months ago in June, the state's jobless rate dropped to 9.1% from May's 10%. Oregon's economy was moving ahead with robust national housing starts and consumer spending. But the rate climbed to 9.9% in July as record rainfall and a rise in interest rates caused a pause in Oregon's mortgage interest-sensitive economic structure. The discontinuity between the two months was linked to June's heavy hiring which robbed July of any normal seasonal gains. August hiring was more normal and brought the rate into calmer waters.

Meanwhile, the nation's civilian unemployment rate remained unchanged at 9.5% seasonally adjusted, well below the recession peak of 10.8% last December. The number of person's unemployed was 10.7 million, about equal to the combined populations of Oregon, Washington, Alaska, Hawaii, Idaho, Montana, and Nevada.

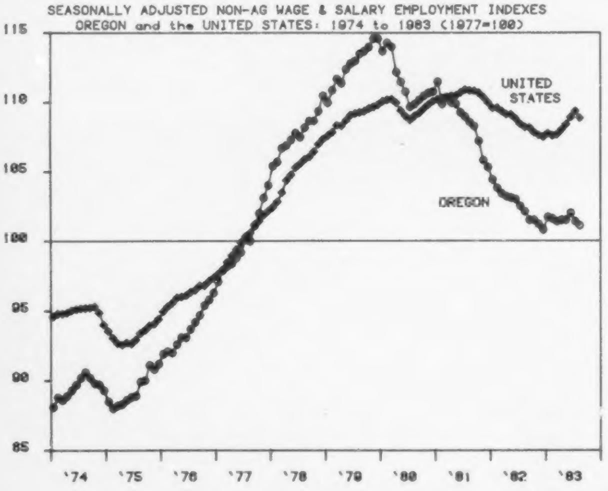
The Oregon Diffusion Index, a leading indicator of economic activity, climbed 2.4 points to 54.7 for August. Since January, this index has grown by 10.5 points with an increase in all but one month.



*Civilian Labor Force Only


OREGON DIFFUSION INDEX
1974 to 1983: 3-Month Moving Average

Nonfarm payroll employment, as measured by a survey of businesses increased by 2,800. But improvement in this job picture was marred by a rash of labor/management disputes. The 7,400 persons affected were the most since July 1978. The impact of labor negotiation activity was reflected in the nonfarm employment index which, at 101.1 was down 0.3 from July's 101.4. If the 7,400 individuals involved in work stoppages had been on the job, the index would have climbed 0.5 to 101.9. Although workers on strike are not counted in the wage and salary employment series, they are included in the total resident employment series - hence they caused no direct impact on the unemployment rate.


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and the UNITED STATES: 1974 to 1983 (1977=100)

Steady improvement continued to come from the manufacturing industries. Most noteable was the 4,700 gain in food processing and a 1,300 increase in lumber and wood products.

The increase of 4,700 in food processing was 1,700 above seasonal expectations for August. Because July was wetter than usual, more of the harvesting and processing activities were pushed into August.

Lower prices for lumber and wood products has not yet dampened employment, though vacation shutdowns have been used by some employers to keep inventories in line with orders. Employes on paid vacation during a shutdown are still counted as employed.

Fabricated Metals, with close ties to Construction, continued to show improvement (+300). This industry produces many of the metal products (duct work, window frames, plumbing fixtures, structural steel, etc.) used in housing and other construction. Much of the increase in this industry is in support of the pickup in highway and bridge construction.

Primary Metals employers also reported gains (+200) while upping plant output. The aluminum industry which last year was operating at about 50% capacity is now at 80%. Lower energy prices are a factor in this increase. There is also increased demand for steel rebar for use in highway and bridge construction.

Labor/management disputes hit hard on the Transportation Equipment industries. Total employment fell 1,100 with disputes at three major employers.

New projects funded from gasoline taxes boosted Construction employment by 1,500, a seasonally adjusted increase of 1,100. Rising mortgage rates this summer, however, have depressed home sales and construction of new houses. Rates above 13% dampen buying interest of many prospective homeowners.

A major strike at Pacific Northwest Bell forced Communication employment down by 5,700, a full 6,900 below a year ago. Combined with paring by Utility companies, a seasonally adjusted decline of 5,900 was registered for Transportation, Communication & Utilities.

Wholesale Trade posted a gain of 700, chiefly on the strength of Groceries & Related products. Retail Trade gained 500 primarily due to employment increases in Apparel & Accessory Stores as well as Eating & Drinking Places. While overall, Trade employment grew by 1,200, it was 300 less than usual for this time of year.

Declining employment (-350) in Real Estate (coming from slower activity in home buying), pushed total Finance, Insurance & Real Estate employment down by 200, more than offsetting a gain of 100 in Banking & Credit. The loss in employment was not typical for August and the net effect was a seasonally adjusted decline of 400.

Services came through in good shape (+600) despite the lethargic showing in Hotel & Personal Services. While visitor counts by the Oregon Department of Transportation were up over 1982, employment actually fell 300. Business Services claimed responsibility for most of the gain in Other Services.

Decreases of 1,000 in public education accounted for the drop in Government employment. If it weren't for the hiring of several hundred state fair workers, government employment would have dropped about 1,000 over the month.

The following table compares employment in selected industry sectors for August of 1983 and 1979. While some sectors have been devastated, others have remained almost untouched. Health services and electrical equipment & supplies have actually gained employment. It is no surprise that the hardest hit are the construction and lumber and wood products industries.

A key obstacle to sustained economic growth is posed by the resurgence of interest rates and their effect on home construction. Housing starts during the first half of 1983 were strong, increasing every month through May. A mini housing boom this spring was touched off by a decline in mortgage rates, from 13.5% to as low as 11.5% in May. In June the rates began creeping up. Increases to 13.5% in midsummer dampened the buying ability of many prospective homeowners. A token reduction back to 13% in August was expected to increase homebuilding only minimally if at all.

Most economists, singing in close harmony, agree that a slowing of the economic recovery has probably begun. Most analysts expect Oregon to show continued, though perhaps slower, growth as long as interest rates don't rise further.□

EMPLOYMENT CHANGE SINCE 1979
Selected Industries
x1,000

Industry	August 1983	August 1979	Change Number	Change Percent
TOTAL ALL INDUSTRIES	948.9	1,072.8	-123.9	-11.5
Manufacturing	196.5	243.6	- 47.1	-19.3
Lumber & Wood Products	66.6	85.0	- 18.4	-21.6
Primary Metals	7.6	11.3	- 3.7	-32.7
Fabricated Metals	9.3	13.9	- 4.6	-33.1
Machinery	14.4	17.9	- 3.5	-19.6
Electrical Equip. & Sup.	9.5	8.9	+ 0.6	+ 6.7
Instruments & Related	14.0	18.9	- 4.9	-25.9
Food & Kindred	30.1	32.1	- 2.0	- 6.2
Printing & Publishing	10.1	10.1	0.0	0.0
Nonmanufacturing	752.4	829.2	- 76.8	- 9.3
Construction	31.5	59.3	- 27.8	-46.9
Transportation	32.5	37.2	- 4.7	-12.6
Wholesale Trade	61.4	68.6	- 7.2	-10.5
Retail Trade	181.1	191.1	- 10.0	- 5.2
Finance, Ins., R.E.	64.4	71.5	- 7.1	- 9.9
Services	187.9	187.7	+ 0.2	+ 0.1
Health Services	65.9	60.3	+ 5.6	+ 9.3
Federal Government	29.7	29.9	- 0.2	- 0.7
State Government	48.9	52.7	- 3.8	- 7.2
Local Government	95.5	101.6	- 6.1	- 6.0

HOURS AND EARNINGS – LONG TERM GAINS NOTED

Oregon's economy is rebounding, but at a progressively slower rate. The nationwide upturn in construction activity has Lumber & Wood Products leading Oregon's recovery. There are pitfalls though. Speculative losses in recent years and still skittish mortgage rates have builders and their suppliers keeping a tight rein on inventories. So after being mired for three long years, giddy euphoria should not be expected. July hours and earnings mirrors this more pragmatic approach. Following excellent gains made earlier in the spring and summer, average weekly hours dropped 1.0 for Total Manufacturing. While the decline may seem significant it is not interpreted as a reversal in direction. More important, the long term gains over the year reflect a .4 increase in weekly hours with 1,800 more production workers.

Declining wood product prices due to soft demand have prompted mill operators to reduce production. This is immediately noticeable in the 2.4 drop in weekly hours for Lumber & Wood Products. A mixture of holiday, vacation and market imposed curtailments were evident in the slowdown of plant operations. The $.09 increase in hourly earnings for Lumber & Wood Products was largely due to increased maintenance and retooling activity done during shutdowns by higher paid millwright and maintenance workers.

To help offset what was happening in Lumber and Wood Products, Other Durable Goods employers had some good news to report. Metals manufacturers reported welcome gains in plant activity for July. Weekly hours rose in both Primary (.4) and Fabricated Metals (.6). Favorable electric rates for primary metals producers and increased product demand accounted for the longer work week average. Also of note, for only the second time since July of 1969, both metals industries were able to exceed the 40 hour workweek.

Primary Metals demand has broadened to include ferrous metals as well as the more visable aluminum industry. Tonnage at steel mills grew with the increasing workweek to supply material for bridge and highway construction projects. With several major firms in Fabricated Metals working additional overtime, hourly earnings jumped $.21. Again, this appears in part, to be a spin off of stepped up construction activity requiring fabricated metal components for highway and bridge structures.

RESIDENT OREGON LABOR FORCE

	1/ Aug. 1983	2/ July 1983	Change	% Change	5/ Aug. 1982
Civilian Labor Force 3/	1,346,900	1,350,000	-3,100	-0.2	1,317,900
Unemloyment	123,000	127,900	-4,900	-3.8	141,000
Percent of Labor Force	9.1	9.5	xxx	xxx	10.7
Seasonally Adjusted Percent	9.8	9.9	xxx	xxx	11.7
Total Employment 4/	1,223,900	1,222,100	+1,800	+0.1	1,176,900

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ Aug. 1983	2/ July 1983	Aug. 1982	Change From July 1983	Change From Aug. 1982
TOTAL 3/	948,900	946,100	957,500	2,800	-8,600
Wage & Salary Employment Index 4/	101.1	101.4	102.1	xxx	xxx
Diffusion Index 5/	54.7	52.3	39.2	xxx	xxx
Total Manufacturing	196,500	190,900	193,600	5,600	2,900
Durable Goods	136,900	136,300	134,500	600	2,400
Lumber & Wood Products	66,600	65,300	58,100	1,300	8,500
Logging & Sawmills	34,100	33,900	30,800	200	3,300
Veneer & Plywood	19,700	19,000	17,200	700	2,500
Millwork & Structural Wood	7,100	7,000	5,500	100	1,600
Mobile Homes	2,100	1,900	1,500	200	600
Other Wood Products	3,600	3,500	3,100	100	500
Furniture & Fixtures	2,900	2,900	2,400	0	500
Stone, Clay, Glass, & Concrete	3,800	3,800	3,600	0	200
Primary Metals	7,600	7,400	7,500	200	100
Blast Furnaces, Iron & Steel	4,100	4,000	4,100	100	0
Nonferrous Metals	3,500	3,400	3,400	100	100
Fabricated Metals	9,300	9,000	9,200	300	100
Fabricated Structural Metals	3,800	3,600	3,700	200	100
Other Fabricated Metals	5,500	5,400	5,500	100	0
Machinery	14,400	14,500	16,500	- 100	-2,100
Electrical Equipment & Supplies	9,500	9,400	10,100	100	- 600
Transportation Equipment	6,300	7,400	7,700	-1,100	-1,400
Instruments & Related Products	14,000	14,200	17,000	- 200	-3,000
Miscellaneous Manufacturing	2,500	2,500	2,400	0	100
Nondurable Goods	59,600	54,500	59,100	5,100	500
Food & Kindred Products	30,100	25,400	29,300	4,700	800
Canning & Preserving	19,700	14,800	19,100	4,900	600
Other Food Products	10,400	10,600	10,200	- 200	200
Textile Mill Products	1,500	1,300	1,800	200	- 300
Apparel	2,700	2,400	2,800	300	- 100
Paper & Allied Products	9,700	9,700	9,800	0	- 100
Printing & Publishing	10,100	10,100	10,100	0	0
Chemicals & Allied Products	2,100	2,100	2,100	0	0
Petroleum Refining	600	600	500	0	100
Rubber & Plastic Products	2,500	2,600	2,400	- 100	100
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

				Change From	
INDUSTRY	Aug. 1983	July 1983	Aug. 1982	July 1983	Aug. 1982
(cont.)					
Total Nonmanufacturing	752,400	755,200	763,900	-2,800	-11,500
Mining & Quarrying	1,800	1,600	2,100	200	- 300
Construction	31,500	30,000	32,500	1,500	- 1,000
Transportation, Communications, & Utilities	50,200	56,000	56,800	-5,800	- 6,600
Transportation	32,500	32,400	31,900	100	600
Railroad	5,700	5,800	6,000	- 100	- 300
Trucking & Warehousing	17,400	17,200	16,500	200	900
Other Transportation	9,400	9,400	9,400	0	0
Communications	9,000	14,700	15,900	-5,700	- 6,900
Utilities	8,700	8,900	9,000	- 200	- 300
Trade	242,500	241,300	241,800	1,200	700
Wholesale Trade	61,400	60,700	62,300	700	- 900
Durable Goods	36,200	36,100	36,600	100	- 400
Nondurable Goods	25,200	24,600	25,700	600	- 500
Retail Trade	181,100	180,600	179,500	500	1,600
General Merchandise	24,700	24,500	23,600	200	1,100
Food Stores	28,100	28,400	27,100	- 300	1,000
Auto Dealers & Service Stations	22,500	22,400	21,600	100	900
Other Retail Trade	105,800	105,300	107,200	500	- 1,400
Finance, Insurance, & Real Estate	64,400	64,600	65,400	- 200	- 1,000
Banking & Credit Agencies	23,700	23,500	23,700	200	0
Other Finance, Insurance, & Real Estate	40,700	41,100	41,700	- 400	- 1,000
Services	187,900	187,300	187,700	600	200
Hotels & Personal Services	21,400	22,000	22,900	- 600	- 1,500
Health Services	65,900	65,700	66,100	200	- 200
Other Services	100,600	99,600	98,700	1,000	1,900
Government	174,100	174,400	177,600	- 300	- 3,500
Federal Government	29,700	29,600	30,300	100	- 600
State Government	48,900	48,700	48,400	200	500
Education	17,400	17,700	17,600	- 300	- 200
Other State	31,500	31,000	30,800	500	700
Local Government	95,500	96,100	98,900	- 600	- 3,400
Education	51,600	52,300	52,500	- 700	- 900
Other Local	43,900	43,800	46,400	100	- 2,500
Labor-Management Disputes	7,400	700	100	6,700	7,300

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Unseasonably wet weather prompted a lull in the canning season as weekly hours fell 1.2 in the Food and Kindred Products sector for July. Though weather was a significant factor, such changes are not that uncommon. Elsewhere, the seasonal slowdown in recreational Apparel brought weekly hours down 1.2. Average hourly earnings in both Textiles and Apparel fell $.59 and $.32 respectively, due to the annual shutdown of plant operations by a major employer.

The good news in nonmanufacturing came bursting through in Oregon's Construction industry. Weekly hours rose by .7 while production worker employment climbed nearly 2,000 in July. Again activity centered on Heavy Construction with the increase coming from road and bridge construction projects.

The performance was lackluster for much of the rest of nonmanufacturing. Communications & Utilities reported a 1.0 drop in weekly hours, while hourly earnings rose $.08. Production worker employment also fell 200 for July. The movement in hours and employment is an effort by utilities to adjust to losses incurred from participation in power plant construction projects. Trade on the other hand was a mixture of ups and downs, with earnings climbing while the average workweek backslid. Nonsupervisory employment climbed 1,500 in Retail Trade pushing weekly hours lower with the addition of part-time employees. Wholesale Trade, on the other hand, saw weekly hours and employment fall. Most major wholesale suppliers are maintaining inventories at minimum levels so as not to get caught in any future interest rate crunch.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July 2/ 1983	June 3/ 1983	July 1982	July 2/ 1983	June 3/ 1983	July 1982	July 2/ 1983	June 3/ 1983	July 1982
TOTAL MANUFACTURING 4/	$396.24	$403.12	$378.89	38.1	39.1	37.7	$10.40	$10.31	$10.05
Durable Goods	413.51	421.60	398.04	38.9	40.0	38.2	10.63	10.54	10.42
Lumber & Wood Products	415.76	438.46	414.72	37.9	40.3	38.4	10.97	10.88	10.80
Logging & Sawmills	458.64	465.66	459.68	39.1	39.8	40.5	11.73	11.70	11.35
Veneer & Plywood	392.76	443.06	389.01	36.0	41.1	35.3	10.91	10.78	11.02
Millwork & Struct Wood	307.94	332.90	317.18	36.4	40.4	38.4	8.46	8.24	8.26
Mobile Homes	271.47	321.77	277.06	36.1	41.2	36.6	7.52	7.81	7.57
Other Wood Products	416.59	424.11	362.10	39.6	40.2	35.5	10.52	10.55	10.20
Furniture & Fixtures	297.28	292.59	256.28	37.3	37.9	33.9	7.97	7.72	7.56
Primary Metals	518.33	512.12	478.28	41.7	41.3	39.3	12.43	12.40	12.17
Fabricated Metals	401.98	387.65	369.00	40.4	39.8	36.0	9.95	9.74	10.25
Machinery	410.57	399.11	384.13	39.9	38.9	36.9	10.29	10.26	10.41
Nondurable Goods	351.61	357.05	332.70	36.1	37.0	36.4	9.74	9.65	9.14
Food & Kindred Products	284.54	293.82	277.89	34.2	35.4	35.4	8.32	8.30	7.85
Canning & Preserving	223.87	238.97	225.10	31.8	33.8	33.9	7.04	7.07	6.64
Other Food Products	407.55	402.48	395.90	39.0	38.7	38.7	10.45	10.40	10.23
Textile Mill Products	198.11	219.41	191.76	37.1	37.0	37.6	5.34	5.93	5.10
Apparel	185.24	203.31	174.25	35.9	37.1	33.9	5.16	5.48	5.14
Paper & Allied Products	539.98	565.32	512.15	40.6	42.0	40.2	13.30	13.46	12.74
Printing & Publishing	378.42	368.76	364.09	34.0	33.8	33.9	11.13	10.91	10.74
Construction 4/	502.83	490.96	578.03	33.3	32.6	34.8	15.10	15.06	16.61
Communications & Utilities 5/	460.88	469.66	426.02	38.6	39.6	38.8	11.94	11.86	10.98
Trade 5/	287.73	283.85	284.76	34.5	34.7	34.6	8.34	8.18	8.23
Wholesale Trade	384.16	380.14	375.06	37.7	37.9	38.0	10.19	10.03	9.87
Retail Trade	241.16	237.71	235.83	32.9	33.2	32.8	7.33	7.16	7.19
Banking & Insurance	270.91	264.61	244.37						
State & Local Government	339.37	303.69	324.54						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

YAMHILL COUNTY PROFILE

Yamhill County, one of the Oregon Territory's original districts, is named for its native Indian tribe. The western part of the county is a heavily forested stretch of the Coast Range. On the eastern side lies the partially wooded plain of the Willamette Valley.

The county covers 718 square miles, 0.7% of Oregon's land area. Its 57,000 residents are 2.1% of the State's population.

Over half of Yamhill County is forested, primarily with Douglas Fir and Western Hemlock. The Willamina-Sheridan area is the home of most of the county's lumber and plywood mills, although independent logging outfits are dispersed throughout the county.

The hub city of Mc Minnville has a diversified manufacturing base which includes a steel rolling mill and some high-tech manufacturing, as well as modular home factories and food processing plants.

Agriculture is the life blood of the many small east-county towns. Dayton is a major food processing center. The farmers grow a very wide variety of vegetables, fruits, nuts, berries and grains. Lately, nurseries and vineyards have added to the beauty of the landscape. Poultry and eggs and dairying are also important. A third of Yamhill County is in cropland, and another 6% in pasture.

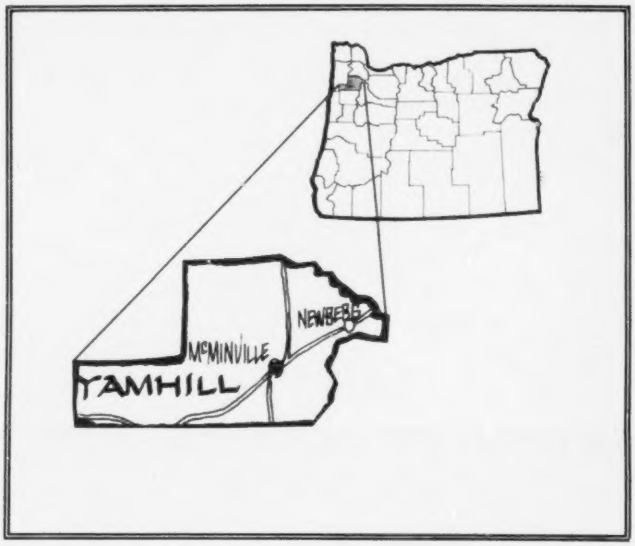
The growing city of Newberg counts a paper mill and a dental equipment manufacturer among its large employers. Like Mc Minnville, it is the home of an acclaimed private college.

The northeast county fringe, including Newberg, has strong economic ties to Washington County, the location of much of Oregon's new industrial growth. About 18% of Yamhill County's work force commutes to the Metro area, qualifying Yamhill to be included in the newly defined Portland PMSA.

The county's wood products industry was hit hard and early by the recession, its largest mill closing permanently in spring 1980. The construction industry also went from boom to bust. Recovery in these industries has been shaky. Non-wood manufacturing has held up well during the hard times for the most part. The traditional food processing and paper industries actually added jobs during the recession.

Yamhill County, unlike the other mid-Willamette Valley counties, did not lose population, even during the depths of the recession. This has helped keep employment relatively stable in trade, services and public education. A growth trend underlies the cyclical ups and downs, particularly in services.

The county's overall job losses were a bit lighter than Oregon's during the recession. Its economy, like the state's, is going through a long, arduous process of turning around. Yamhill's unemployment rate has remained near Oregon's - a bit higher in the winter and lower in the summer.



Yamhill County typifies some of Oregon's most pleasant features. Its rural and small town environment, together with its proximity to the metro center, will continue to make it an attractive place to live and work.□

NEW PUBLICATIONS FROM RESEARCH AND STATISTICS

The following recent releases are now available upon request. There is no charge but supplies may become exhausted. Please direct all requests to:

Employment Division R&S
875 Union St NE
Salem OR 97311

Annual Economic Report - 1983 State of Oregon

This 136 page book includes a review and outlook of Oregon's economic situation. Population characteristics, labor force trends, and related economic analysis are also featured.

Oregon Labor Market Information Directory

In these 18 pages are lists of publications and names, addresses, and phone numbers of economic data sources in the Employment Division's Research and Statistics section. There are also sources of related information available through other government as well as private organizations.

THE EMPLOYER'S CORNER

Twenty Job Service Employer Committees (JSEC's) advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC (pronounced JaySek), each issue of the Oregon Labor Trends features an article of special interest to employers.

Some employers are omitting the weeks of work on the Employment Division form 132 (quarterly listing of wages and weeks of work). By not filing in this item the employer does not save any time or labor because the information must still be collected, only instead, via a special request. Thus operating and processing costs are increased for both the employer and the Employment Division.

"Weeks of work," as reported on form 132, is one of the tools used in detecting fraudulent unemployment insurance claims against the employer. The number of weeks worked reported by the claimant is compared to that reported by the employer.

Late filing penalties are now being issued by the Employment Division to help recoup extra costs in processing incomplete forms. The Employment Division asks for only information that is necessary for an efficient unemployment insurance program. "Thank you" to the majority of employers who do fill in all the items within the time allotted.

Unemployment Insurance Seminars for October

October 4	Ontario
October 5	La Grande
October 6	Baker
October 11	Redmond
October 12	Bend
October 18	Oregon City

Employee Motivation Seminar
October 20, 1983 Portland/Vancouver.

CONTACT YOUR LOCAL EMPLOYMENT OFFICE FOR FURTHER INFORMATION.

RESIDENT OREGON LABOR FORCE AND UNEMPLOYMENT BY AREA

	Aug. 1983			
	Civilian Labor Force	Total Employment	Unempl.	Rate
STATE OF OREGON	1,346,900	1,223,900	123,000	9.1
Eugene MSA	130,000	118,100	11,900	9.2
Medford MSA	65,340	59,350	5,990	9.2
Portland MSA	662,100	603,700	58,400	8.8
Salem MSA	135,100	125,200	9,900	7.3
Baker	8,020	6,900	1,120	14.0
Benton	32,810	31,010	1,800	5.5
Clatsop	16,000	14,900	1,100	6.9
Columbia	16,420	14,970	1,450	8.8
Coos	28,360	24,430	3,930	13.9
Crook	5,980	5,520	460	7.7
Curry	7,770	7,170	600	7.7
Deschutes	33,680	30,630	3,050	9.1
Douglas	39,690	35,650	4,040	10.2
Gilliam	930	890	40	4.3
Grant	3,550	3,310	240	6.8
Harney	3,630	3,210	420	11.6
Hood River	9,170	8,200	970	10.6
Jefferson	6,050	5,580	470	7.8
Josephine	24,500	22,120	2,380	9.7
Klamath	27,520	25,210	2,310	8.4
Lake	3,950	3,750	200	5.1
Lincoln	20,010	18,460	1,550	7.7
Linn	40,130	36,200	3,930	9.8
Malheur	14,260	12,750	1,510	10.6
Morrow	5,630	5,190	440	7.8
Tillamook	10,250	9,350	900	8.8
Umatilla	31,050	27,750	3,300	10.6
Union	11,550	10,710	840	7.3
Wallowa	4,170	3,910	260	6.2
Wasco-Sherman	12,480	11,190	1,290	10.3
Wheeler	690	650	40	5.8
Yamhill	29,470	26,780	2,690	9.1

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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